

PEAR TREE POLARIS SMALL CAP FUND

FOR THE QUARTER ENDED JUNE 30, 2022, 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 (10.45%) at net asset value compared to (17.20%) for the Index.

Market Conditions and Investment Strategies

Defensive sectors rotated back into favor after the last few quarters of cyclical sector gains. Health Care and Consumer Staples were in absolute positive territory, while Financials and Industrials detracted. In Health Care, Natus Medical Inc. was up more than 20% as the company fielded an all-cash acquisition bid from a private equity firm. Harmony Biosciences' narcolepsy drug continued to take market share. As recessionary concerns took hold, consumers reverted from discretionary spends to food staples. As a result, poultry producer Sanderson Farms, pet accessory company Central Garden and Pet Co., and food ingredients company, Ingredion, all performed relatively well. Among other top performers were: Perdoceo Education, which retained a stable business model and an incredibly strong balance sheet; Standard Motor Products, which reported good earnings on aftermarket parts for used cars; and Graphic Packaging Holding, which announced strong first quarter 2022 results with organic growth and margin expansion.

The Energy sector had barbell results, with CVR Energy Inc. as the top portfolio performer offset by largest detractor, Dril-Quip Inc. CVR was a big beneficiary of record refining margins. Dril-Quip ceded some of its first quarter gains, but this equipment supplier should be primed for growth as oil companies start to reinvest in capital expenditures.

Financials did poorly, with FedNat Holding, Colony Bankcorp, Hercules Capital and United Insurance Holdings declining measurably. Both FedNat and United work in the Florida insurance market, which has been in turmoil due to insurance fraud and higher loss ratios. However, the Florida legislature just passed new regulations to help mitigate fraud issues, while both companies have shored up their balance sheets.

In Industrials, auto parts supplier Exco Technologies dropped on supply constraints and availability of materials. Air Lease Corp. was down on news that about 5% of its airplane fleet remained in Russia with no available exit strategy from the region. However, Air Lease carries insurance for this type of incident; it is expected that the company will be duly reimbursed.

Portfolio Changes

The Fund exited Sanderson Farms, as the stock price ticked up even though the acquisition by Continental Grain/Cargill remains in limbo due to U.S. anti-competition concerns. Asbury Automotive was also sold at a premium, as the auto dealer had record profitability on the back of favorable supply-demand metrics, which may not prove repeatable in a recessionary environment. Cash was reallocated to purchase Lundin Mining, a copper miner with strong growth prospects (renewable energy, industrial) and Exelixis Inc., a biopharmaceutical maker with a successful oncology franchise.

Outlook

We expect volatility through the September quarter, as the Federal Reserve's current interest rate rises have done little to tamp down inflation. Geopolitical concerns, low unemployment and ongoing supply chain disruptions have kept inflation around 8%; more draconian measures may be necessary to temper inflation, which may lead to an economic downturn. A portfolio of well-managed, resilient companies is expected to withstand such market tumult, as evidenced by our outperformance over the past few quarters. ❖

TOTAL EXPENSE RATIOS*

	Gross Expense Ratio*	Net Expense Ratio*
Ordinary Shares	1.50%	1.50%
Institutional Shares	1.25%	1.13%

* 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

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

Top Ten Holdings

Percentage of total net assets	
25.4%	South Plains Financial, Inc.
2.9%	Barrett Business Services, Inc.
2.7%	Cambridge Bancorp
2.6%	OFG Bancorp
2.6%	Graphic Packaging Holding Co.
2.5%	Colony Bankcorp, Inc.
2.4%	Cinemark Holdings, Inc.
2.4%	Perdoceo Education Corporation
2.3%	International Bancshares Corporation
2.2%	Science Applications International Corporation

The companies mentioned in the commentary on page one have the following percentage of total net assets as of 06/30/2022:

2.1%	Dril-Quip Inc.
2.0%	Ingredion
2.0%	Exco Technologies
1.9%	Harmony Biosciences
1.8%	Hercules Capital
1.8%	Air Lease Corp
1.5%	CVR Energy Inc.
1.3%	Standard Motor Products
1.2%	Lundin Mining
1.2%	Exelixis Inc.
1.1%	Natus Medical Inc.
0.8%	Central Garden and Pet Co.
0.4%	United Insurance
0.2%	FedNat Holding
0.0%	Sanderson Farms

PERFORMANCE

as of June 30, 2022

Average Annual Total Returns at Net Asset Value

	Unannualized		Annualized			
	Q2	Calendar YTD	1-Year	3-Year	5-Year	10-Year
Ordinary Shares	(10.45%)	(12.27%)	(9.65%)	4.19%	3.56%	6.74%
Institutional Shares	(10.37%)	(12.13%)	(9.32%)	4.58%	3.95%	7.07%
Russell 2000 ¹	(17.20%)	(23.43%)	(25.20%)	4.21%	5.17%	9.35%

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.