

PEAR TREE POLARIS SMALL CAP FUND

FOR THE QUARTER ENDED JUNE 30, 2023, 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 2.06% at net asset value compared to 5.21% for the Index.

Market Conditions and Investment Strategies

Benchmark returns were concentrated at the top of the market, focused on high growth and tech-laden companies. The growth resurgence was premised on lower inflation expectations, which may prove premature per June's U.S. labor report. However, the most recent inflation data does lend some evidence that we are in the late stages of the interest rate tightening cycle. In this market, cyclical dominated, led by Industrials, Materials, Financials and Information Technology (IT).

In Industrials, Allison Transmissions was up after the ISM New Orders Index rose 7% in June. The ISM is one of the leading indicators of freight trends, which may bode well for Allison's order volume in the coming months. Additionally, the truck OEMs are reporting full order books. V2X reported robust quarterly results, pointing to increased revenues, volumes and program productivity, while securing sizeable new contracts. Among Materials, copper miner Lundin Mining posted notable gains on higher commodity prices. Lundin continues to work through its acquisition of Josemaria Resources and the integration of the Caserones Copper Mine is a near-term priority. Eagle Materials announced quarterly and full fiscal year results with record revenues, gross margin expansion and successful acquisition integrations. Their cement business is fully sold out with no capacity to spare.

Among IT companies, MKS Instruments reported better than anticipated quarterly results with decent revenues from electronics, packaging and specialty industrial divisions. MKS also progressed in the acquisition integration of Atotech Ltd. Chip and electronic components distributor Arrow Electronics continued to see good demand for its services. While an improving supply chain is moderating heady growth, new customers and design wins may deliver a structurally better margin than pre-pandemic.

In the Financial sector, SLM Corp. had a strong first quarter, with improving credit metrics, 12% loan growth and floating rate assets that boosted margin expansion. Portfolio growth and an increase in core yields drove Hercules Capital's first quarter 2023 results, with investment income and net investment income at record levels. Sector detractors included a small handful of U.S. regional and community banks that were pressured by expense growth and higher deposit costs.

Holdings in the Energy sector detracted most. NOV Inc. is seeing very healthy demand and has a strong order book. However, the main steel supplier for NOV's drill pipe business experienced manufacturing issues; limited shipments and alternative material sourcing impacted NOV's profits. First quarter sales fell short of expectations, causing Dril-Quip shares to trade lower.

Portfolio Changes

During the quarter, the Fund exited Cinemark Holdings Inc., BGSF Inc., Central Pacific Financial, and Methode Electronics Inc. Capital was used to purchase some high-quality Texas banks, attractively priced following the recent banking crisis. San Antonio-based Cullen/Frost has had 29 straight years of dividend increases. Its conservative culture is evidenced by its low loan to deposit ratio and ample liquidity, positioning itself for further profitable growth as peers pull back on lending. Fellow community bank, Southside Bancshares, operates 55 branches throughout Texas, managing \$7.8 billion in assets. The institution is known for its conservative underwriting standards and strong credit quality.

Outlook

After the bursting of the meme stock bubble last year, we are seeing a resurgence of speculative activity. However, we remain committed to investing in solid, cash flowing businesses at attractive prices. Over the long haul, we believe this will allow our small-cap value portfolio to perform as intended. ❖

TOTAL EXPENSE RATIOS*

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

* Per Prospectus dated August 1, 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, 2023 (The portfolio is actively managed. Holdings and weightings are subject to change daily.)

Top Ten Holdings

Percentage of total net assets	
27.7%	
3.3%	Eagle Materials Inc.
3.0%	South Plains Financial, Inc.
2.9%	Barrett Business Services, Inc.
2.9%	Allison Transmission Holdings, Inc.
2.8%	Graphic Packaging Holding Co.
2.7%	MKS Instruments, Inc.
2.7%	Ingredion Incorporated
2.5%	OFG Bancorp
2.5%	Wabash National Corporation
2.4%	Curtiss-Wright Corporation

The companies mentioned in the commentary on page one have the following percentage of total net assets as of 06/30/2023:

2.2%	Hercules Capital, Inc.
2.1%	V2X, Inc.
2.1%	NOV, Inc.
1.9%	Lundin Mining Corporation
1.7%	Dril-Quip, Inc.
1.5%	Cullen/Frost Bankers, Inc.
1.4%	Arrow Electronics, Inc.
1.0%	SLM Corporation
1.0%	Southside Bancshares, Inc.

PERFORMANCE

as of June 30, 2023

Average Annual Total Returns at Net Asset Value

	Unannualized		Annualized			
	Q2	Calendar YTD	1-Year	3-Year	5-Year	10-Year
Ordinary Shares	2.06%	1.79%	10.11%	14.57%	3.65%	6.13%
Institutional Shares	2.12%	1.94%	10.50%	15.00%	4.03%	6.47%
Russell 2000 ¹	5.21%	8.09%	12.31%	10.82%	4.21%	8.26%

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.