

PEAR TREE POLARIS SMALL CAP FUND

FOR THE QUARTER ENDED MARCH 31, 2024, 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 7.06% at net asset value compared to 5.18% for the Index.

Market Conditions and Investment Strategies

Industrials drove outperformance for the quarter, led by gains at Allison Transmission. Strength in North American on-highway and defense divisions, coupled with price increases, drove Allison's net sales higher, which more than offset elevated material and manufacturing costs. DNOW Inc. posted record performance in 2023, with its U.S. Process Solutions delivering double-digit revenue growth in each of its four core businesses. Air Lease Corp. cited strong demand for aircraft leases as the shortage of airplanes persists due to Boeing's manufacturing problems.

Material holdings added to gains, with Eagle Materials reporting record quarterly revenues and net earnings. The company cited positive industry supply-demand imbalances and continued infrastructure and housing development. Graphic Packaging unveiled their growth targets for the coming year, while discussing product innovation and value-add pricing, as opposed to building another greenfield facility. These strategic decisions were lauded by the market. The "electrification of everything" and a resurgent Chinese economy drove copper demand, but supply side constraints were an equally, if not more important, determinant of pricing. The copper market should remain tight for the next decade benefitting the likes of pure copper player, Lundin Mining.

Footwear manufacturer Crocs, Inc. was up more than 50% on strong earnings and upbeat guidance. The market sees significant upside to Crocs' story as the Hey Dude acquisition gains traction, international expansion continues, and demand remains strong for the Crocs brand.

Among the small handful of detractors was Kimball Electronics, which reported a sales decline and walked back guidance for the year. Medical division results were adversely impacted by a major customer who is remediating an FDA recall unrelated to Kimball's work. Standard Motor Products had flat annual results, reporting lower sales in the aftermarket business offset by solid performance in engineered solutions. In particular, vehicle control sales declined due to customer point-of-sale weakness. Among small-cap banks, South Plains Financial reported fourth quarter results, with lower net income and EPS; however full-year numbers beat 2022 results, while the bank completed an aggressive stock repurchase program. Colony Bancorp reported lackluster earnings, citing softer net interest margins.

Portfolio Changes

During the quarter, Berry Global Group was sold due to a shift in fundamentals. Berry may face future cash flow impingement following its health/hygiene division spin-off and combination with Glatfelter Corp. via a Reverse Morris Trust transaction. Cambridge Bancorp is being acquired by Eastern Bankshares in an all-stock deal with a 24% premium; we took the opportunity to sell. There were no new buys.

Outlook

The portfolio's balanced mix of defensive and cyclical holdings helped performance, offering strong downside risk protection during periods of macro-economic volatility, while capitalizing on market upswings. The strategy proved fruitful this quarter, as the Fund outperformed by nearly 200 basis points. Short-term volatility may persist as the Fed navigates elevated inflation metrics with timing of rate cuts. When rates do start to come down, Cyclical will likely benefit. As such, we are looking for opportunities in stocks that have been hit particularly hard over the past year. ❖

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 March 31, 2024 (The portfolio is actively managed. Holdings and weightings are subject to change daily.)

Top Ten Holdings

Percentage of total net assets	28.0%
Barrett Business Services, Inc.	3.3%
OFG Bancorp	3.1%
Graphic Packaging Holding Co.	3.0%
South Plains Financial, Inc.	2.8%
Cabot Corporation	2.7%
International Bancshares Corporation	2.7%
Hercules Capital, Inc.	2.6%
Ingredion Incorporated	2.6%
MKS Instruments, Inc.	2.6%
Eagle Materials Inc.	2.6%

The companies mentioned in the commentary on page one have the following percentage of total net assets as of 03/31/2024:

Allison Transmission	2.6%
Air Lease Corporation	2.5%
Lundin Mining	2.2%
DNOW Inc.	1.8%
Colony Bancorp	1.6%
Crocs, Inc.	1.3%
Kimball Electronics	1.2%
Standard Motor Products	0.8%

PERFORMANCE

as of March 31, 2024

Average Annual Total Returns at Net Asset Value

	Unannualized		Annualized			
	Q1	Calendar YTD	1-Year	3-Year	5-Year	10-Year
Ordinary Shares	7.06%	7.06%	21.12%	6.38%	8.46%	6.16%
Institutional Shares	7.15%	7.15%	21.53%	6.77%	8.85%	6.51%
Russell 2000 ¹	5.18%	5.18%	19.71%	(0.10%)	8.11%	7.58%

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.peartreefunds.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.