

## PEAR TREE POLARIS SMALL CAP FUND

**FOR THE QUARTER ENDED MARCH 31, 2025**, 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 (2.81%) at net asset value compared to (9.48%) for the Index.

### Market Conditions and Investment Strategies

The Fund outperformed in the vast majority of sectors, led by absolute positive gains in Real Estate, Consumer Staples, Energy and Financials. Certain cyclical (Consumer Discretionary and Information Technology (IT)) detracted, weighed down by tariff and inflation concerns.

In Real Estate, Netstreet and Global Medical REIT both posted gains in excess of 10%, as that industry subsector fared well in the face of first quarter volatility. Netstreet lowered rental exposure to troubled tenants and increased exposure to investment grade tenants. Global Medical announced a joint venture with Heitman, which is expected to drive growth in coming quarters.

The Fund substantially outperformed in Industrials, but it was a hollow win in a down sector. DNOW reported strong quarterly results, pointing to a healthy balance sheet, expense management and inventory controls. Similarly, CSG Systems posted solid earnings, guiding for a strong 2025 on the back of recent business wins. Conversely, Wabash faced cyclical issues endemic of the U.S. trucking industry – tariff concerns, lower consumer confidence – which may impact transport volumes. Competition in the space also heated up.

In a higher-for-longer interest rate environment, financial institutions like HomeTrust Bancshares are able to restructure balance sheets and reprice loans at a higher rate. SLM Corp. was up, uniquely positioned to capitalize on possible changes to the Federal student loan programs as more students tap private loans. Bermuda-based N.T. Butterfield referenced net interest margins expansion and a good deposit environment. Shareholders lauded the firm's capital allocation priorities (dividends, loan growth, M&A).

In Consumer Discretionary, Winnebago weakened as dealers remain unwilling to purchase new motorhome and marine inventory, uncertain of end market demand. Winnebago has been adapting, managing costs and developing new products at lower price points to attract a larger demographic. Clothing retailers American Eagle and The Buckle Inc. painted cautious outlooks for 2025 on cooling demand and tariff-related procurement concerns.

In IT, MKS Instruments traded down as it offered more conservative guidance than the market forecast. The company's specialty and industrial segments are still in the trough of the cycle. Arrow Electronics Inc. cited softer demand for semiconductor chips, as customers work through stockpiled inventory.

### Portfolio Changes

During the quarter, the Fund exited Curtiss-Wright Corp. and Trubridge Inc. when each reached target valuation limits. We took profits from H&E Equipment Services, subject to an acquisition at a 100% premium. We replaced Knight-Swift Transportation with Covenant Logistics Group; Covenant is more of a niche trucking player less exposed to the rate environment. Three other new purchases included Laureate Education, Progress Software Corp. and ePlus Inc.

### Outlook

Last quarter saw a significant rally in the small cap space, as the new U.S. Administration heralded a pro-business, pro-local job environment. All that optimism came to an abrupt halt in early 2025, as policy focused on tariffs as a negotiation tactic. Concerns arose around inflation, consumer spending and business confidence, with investors rotating out of cyclical names. Current market volatility has allowed us to enter areas of the market where we have had little exposure in the past due to pricing and we are able to buy even higher quality names at a discount, adding some very interesting business leaders within subindustries. ❖

## 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 March 31, 2025 (The portfolio is actively managed. Holdings and weightings are subject to change daily.)

### Top Ten Holdings

Percentage of total net assets	
25.6%	Ingles Markets Inc.
4.2%	Covenant Logistics Group, Inc.
2.7%	HomeTrust Bancshares, Inc.
2.4%	Northeast Bancorp
2.4%	The Bank of N.T. Butterfield & Son Limited
2.4%	Barrett Business Services, Inc.
2.3%	International Bancshares Corporation
2.3%	Netstreit Corporation
2.3%	EVERTEC Inc.
2.3%	Essential Properties Realty Trust, Inc.

The companies mentioned in the commentary on page one have the following percentage of total net assets as of 03/31/2025:

2.2%	SLM Corporation
2.0%	CSG Systems
2.0%	DNOW
2.0%	Progress Software
1.9%	ePlus Inc.
1.6%	Laureate Education
1.5%	Arrow Electronics Inc.
1.4%	Winnebago
1.3%	The Buckle Inc.
1.2%	Wabash
1.1%	American Eagle
1.0%	MKS Instruments
0.8%	Global Medical REIT

## PERFORMANCE

as of March 31, 2025

### Average Annual Total Returns at Net Asset Value

	Unannualized		Annualized			
	Q1	Calendar YTD	1-Year	3-Year	5-Year	10-Year
Ordinary Shares	(2.81%)	(2.81%)	(1.33%)	4.91%	16.26%	6.06%
Institutional Shares	(2.69%)	(2.69%)	(0.94%)	5.30%	16.69%	6.43%
R6 Shares	(2.71%)	(2.71%)	-	-	-	-
Russell 2000 <sup>1</sup>	(9.48%)	(9.48%)	(4.01%)	0.52%	13.27%	6.30%

<sup>1</sup>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](http://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](http://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.**