

PEAR TREE POLARIS SMALL CAP FUND

FOR THE QUARTER ENDED MARCH 31, 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 (0.26%) at net asset value compared to 2.74% for the Index.

Market Conditions and Investment Strategies

After a strong 2022, Fund returns underwhelmed this quarter as value lagged growth and investors' risk appetite returned. Our leading sectors were Materials, Industrials, Information Technology and Consumer Discretionary.

In Materials, Graphic Packaging announced strong 2022 net sales and income, while building capacity with a new recycled paperboard mill. Cabot Corp. noted solid sales of its carbon black for tires, with additive business in the EV battery market. Firm pricing and high demand for cement helped Eagle Materials. Lundin Mining will buy a majority stake in the Caserones mine in Chile; this may be an advantageous acquisition as copper supply and demand (stemming largely from the EV market) favors the few industry suppliers.

In Industrials, Wabash National Corp. raised prices in excess of raw material costs; demand for truck trailers kept pace even at higher prices. IT staffing company, Kforce, dominated in a post-pandemic job market; investors were skeptical of a repeat performance in 2023. However, Kforce showed that even in a slowing environment, demand remained healthy; the stock posted double-digit results.

In Health Care, Exelixis Inc. posted decent annual results on the back of its cabozantinib commercial franchise, and subsequently announced the FDA clearance of a pipeline drug application for advanced solid tumors. Conversely, Harmony Biosciences was the single worst portfolio performer, declining on an unsubstantiated short report from Scorpion Capital claiming side effects from Harmony's narcolepsy drug. Harmony management sought to dispel these unvalidated rumors, pointing to additional cardiac trials run and FDA data; however, the damage was done to the stock price.

Financials detracted most with small regional banks, such as South Plains Financial, Cambridge Bancorp, BOK Financial and Brookline Bancorp, posting lackluster results. Much, if not all, of the decline stemmed directly from the SVB/Signature failures and concerns about a broader banking crisis, which hasn't come to pass to date. Most U.S. banks are on solid footing, having shored up balance sheets and capital ratios after the Great Financial Crisis of 2008; SVB and Signature were outliers, heavily dependent on tech and cryptocurrency clients and overextended with longer-term maturity bonds.

Portfolio Changes

During the quarter, the Fund exited Oshkosh Corp. after the company lost a key U.S. Army contract for vehicle builds. Fishing/boating company, Johnson Outdoors, was sold in anticipation of a consumer spending slowdown. Capital was used to purchase Carlisle Companies, a construction materials/roofing company for large industrial complexes. Another new buy was Janus International, the dominant market player in roll-up doors and security technology for self-storage businesses.

Outlook

2023 may prove a balancing act between a slowing economy dampening corporate earnings and a moderating interest rate cycle. Added to this equation is the recent U.S. banking crisis, which will manifest in worsening credit conditions for banks and tighter liquidity for consumers and corporates. In either scenario, the Fund is well positioned given the valuation and quality of portfolio holdings, which we expect to weather any downturn and offer substantial upside in an economic recovery. ❖

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 March 31, 2023 (The portfolio is actively managed. Holdings and weightings are subject to change daily.)

Top Ten Holdings

Percentage of total net assets	
26.2%	
3.0%	Eagle Materials Inc.
3.0%	Graphic Packaging Holding Co.
3.0%	Barrett Business Services, Inc.
2.6%	South Plains Financial, Inc.
2.6%	Ingredion Incorporated
2.5%	Cabot Corporation
2.4%	NOV Inc.
2.4%	OFG Bancorp
2.4%	Kforce, Inc.
2.3%	Wabash National Corporation

The companies mentioned in the commentary on page one have the following percentage of total net assets as of 03/31/2023:

2.0%	Exelixis Inc.
2.0%	Cambridge Bancorp
1.6%	Lundin Mining
1.5%	Harmony Biosciences
1.2%	Janus International
1.1%	Brookline Bancorp
1.0%	Carlisle Companies
0.9%	BOK Financial

PERFORMANCE

as of March 31, 2023

Average Annual Total Returns at Net Asset Value

	Unannualized		Annualized			
	Q1	Calendar YTD	1-Year	3-Year	5-Year	10-Year
Ordinary Shares	(0.26%)	(0.26%)	(3.39%)	21.12%	4.77%	6.30%
Institutional Shares	(0.17%)	(0.17%)	(3.02%)	21.58%	5.17%	6.65%
Russell 2000 ¹	2.74%	2.74%	(11.61%)	17.51%	4.71%	8.04%

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.