

PEAR TREE POLARIS SMALL CAP FUND

FOR THE QUARTER ENDED SEPTEMBER 30, 2024, 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 9.17% at net asset value compared to 9.27% for the Index.

Market Conditions and Investment Strategies

U.S. small cap stocks rallied in the third quarter on expectations for lower headline inflation and the ensuing interest rate cut, with markets pricing in a "soft landing" scenario at least in the near term. That expectation led to reality, when in mid-September, the U.S. Federal Reserve slashed its benchmark interest rate by half a percentage point, the first and the biggest cut since March 2020 when COVID-19 was crushing the economy. With a more benign rate environment this quarter, we saw rotation out of tech companies and into tried-and-true cyclicals, where the Fund is more heavily weighted. Top contributions came from Industrials, Financials and Materials; Energy was a notable detractor.

Among Financials, OFG Bancorp capitalized on Puerto Rico's resilient economy, citing solid growth in loan origination and commercial deposits, while focusing on digital innovation. South Plains Financial effectively managed interest rate sensitivity and achieved loan portfolio growth through strategic customer relationships.

Eagle Materials recovered from second quarter lows, offering upbeat guidance on demand for wallboard in weather-sensitive U.S. markets. Cabot Industries has become a leading supplier of carbon black, used in tire, treads and industrial rubber products, as its Russian competition has been sidelined by sanctions.

More than half of the Fund's Industrial holdings gained in excess of 10% for the quarter. Heavy-duty truck transmission supplier Allison Transmission Holding reported record quarterly net sales, driven by all-time highs in the North American on-highway end market. Curtiss-Wright Corp. cited strong demand for electronic defense services due to international conflicts. At the other end of the spectrum, Janus International reported underwhelming earnings on weak demand in the self-storage space. Wabash National posted good margins on strong pricing and mix, but missed top-line growth on cyclically slower trailer sales/volumes.

Oil prices softened during the third quarter, as did investor enthusiasm for oil production and service companies; NOV Inc. and Diamondback Energy Inc. were negatively impacted by this industry trend. Demand metrics point to steady business, just not the strong growth of the past.

In information Technology, Kimball Electronics and MKS Instruments Inc. both declined; the former on weaker industrial/auto division sales, while the latter was in sympathy with softer semiconductor capital equipment stocks.

Portfolio Changes

During the quarter, the Fund purchased Ingles Markets Inc., Tecnoglass, Essential Properties Realty and Northeast Bank, the latter three of which may play into a recovering real estate/building market. We sold Hercules Capital at a healthy profit, proactively exiting before competition heats up in a lower rate environment. Pacira Biosciences was sold on fundamental concerns.

Outlook

Over the past two years, the cost of funding for smaller companies rose in lockstep with the rise in interest rates; in essence, the financing structure presented big hurdles for small caps. Investors shied away. Now, as the terminal rate trends lower, small caps return to a competitive playing field vs. large-cap stocks. Small cap companies may see profitability improve meaningfully, especially in Real Estate, Energy and Consumer sectors, while new opportunities may present in under-represented Fund sectors like Communication Services and Utilities. ❖

TOTAL EXPENSE RATIOS*

	Gross Expense Ratio*	Net Expense Ratio*
Ordinary Shares	1.45%	1.45%
Institutional Shares	1.21%	1.09%

* 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.

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 September 30, 2024 (The portfolio is actively managed. Holdings and weightings are subject to change daily.)

Top Ten Holdings

Percentage of total net assets	
25.8%	OFG Bancorp
2.8%	Barrett Business Services, Inc.
2.8%	South Plains Financial, Inc.
2.7%	Graphic Packaging Holding Co.
2.6%	Allison Transmission Holdings, Inc.
2.5%	Curtiss-Wright Corporation
2.4%	International Bancshares Corporation
2.4%	Cabot Corporation
2.4%	Eagle Materials Inc.
2.4%	Ingredion Incorporated

The companies mentioned in the commentary on page one have the following percentage of total net assets as of 09/30/2024:

1.9%	Ingles Markets Inc.
1.9%	Essential Properties Realty
1.8%	NOV Inc.
1.8%	Diamondback Energy Inc.
1.6%	Northeast Bank
1.5%	Tecnoglass Inc.
1.4%	Wabash National
1.2%	Janus International
1.2%	MKS Instruments Inc.
0.7%	Kimball Electronics

PERFORMANCE

as of September 30, 2024

Average Annual Total Returns at Net Asset Value

	Unannualized		Annualized			
	Q3	Calendar YTD	1-Year	3-Year	5-Year	10-Year
Ordinary Shares	9.17%	11.42%	23.68%	7.92%	9.23%	7.64%
Institutional Shares	9.26%	11.73%	24.14%	8.31%	9.63%	8.01%
Russell 2000 ¹	9.27%	11.17%	26.76%	1.84%	9.39%	8.79%

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.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.