

PEAR TREE POLARIS SMALL CAP FUND

FOR THE QUARTER ENDED SEPTEMBER 30, 2025, 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 4.51% at net asset value compared to 12.39% for the Index.

Market Conditions and Investment Strategies

U.S. small cap equities advanced as inflation moderated and investors began anticipating further Federal Reserve rate cuts in early 2026. However, the rally was one dimensional, with a handful of high growth, highly volatile speculative stocks (AI-driven) leading the charge. Most other industries failed to keep pace, more reflective of the weakness in the underlying economy. At the sector level, the Fund outperformed in Consumer Discretionary, Energy, Materials and Utilities; holdings in Information Technology ("IT") detracted from absolute portfolio gains.

In Consumer Discretionary, Laureate Education reported record enrollment growth and margin expansion, validating the scalability of its digital learning platform. American Eagle Outfitters rose over 80%, driven by stronger-than-expected quarterly earnings and upbeat guidance. The Buckle Inc. gained on solid sales and continued expense discipline, highlighting management's focus on profitability and inventory control.

Among other individual standouts diversified across sector: CVR Energy advanced on stronger refining margins and record cash flow, which supported a higher dividend and special distribution. In Materials, Lundin Mining Corp. had solid results with copper/gold production tracking to full year targets. Supernus Pharmaceuticals benefited from strong prescription volume and stable pricing.

In IT, MKS Inc. continued to deliver impressive profitability despite its semiconductor business operating near trough demand. These gains couldn't offset losses from Progress Software; the company reported decent guidance and strong renewals inconsistent with the steep stock decline. Progress fell with industry peers, as the rapid advancement of AI creates pressure for SaaS companies to adapt.

A handful of Industrials trailed. Covenant Logistics Group fell as freight volumes and spot pricing weakened across the trucking sector. Allison Transmission declined on weaker global heavy-truck demand and inventory adjustments among OEM customers. Carlisle Companies underperformed as non-residential construction activity slowed. Kforce referenced subdued tech hiring and deferred client spending in consulting.

Portfolio Changes

AirLease Corp was sold at a healthy profit when the company accepted an all-cash takeover offer at a 14% premium from a private equity consortium. We exited Regal Rexnord and Tecnoglass, as both reached upper valuation targets. NOV Inc., Science Applications International and Crocs, Inc. were sold, as each faced business cycle pressures compounded by clouded long-term visibility. We invested in Avnet Inc., the global semiconductor chip and electronics distributor playing into the AI space. Utility company Black Hills Corp. was added as a defensive play; shortly after purchase, Black Hills made a complementary acquisition of NorthWestern Energy. Two Health Care companies were added: ANI Pharmaceuticals, a generics company for rare/orphan diseases and Lantheus Holdings, a leading precision diagnostic company focused on imaging solutions for cancer/cardio disease.

Outlook

Lower interest rates should stimulate the U.S. economy, disproportionately helping small cap companies across many industries – not just AI-related. We are already seeing signs of recovery in the Consumer Discretionary sector and re-rating in financials. We continue to emphasize high-quality small cap businesses with durable competitive advantages, sustainable earnings, strong cash generation, and prudent capital allocation. These attributes help position the portfolio to benefit as fundamentals regain market focus. ❖

TOTAL EXPENSE RATIOS*

	Gross Expense Ratio*	Net Expense Ratio*
Ordinary Shares	1.42%	1.42%
Institutional Shares	1.20%	1.08%
R6 Shares	1.07%	1.05%

* Per Prospectus dated August 1, 2025, as amended. Reflects all fee waivers currently in effect. Fee waivers may not be amended, rescinded or terminated before July 31, 2026 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.

Investment Products

■ Not FDIC insured ■ May lose value ■ No bank guarantee

PEAR TREE POLARIS SMALL CAP FUND PORTFOLIO HIGHLIGHTS

as of September 30, 2025 (The portfolio is actively managed. Holdings and weightings are subject to change daily.)

Top Ten Holdings

Percentage of total net assets	24.0%
CVR Energy, Inc.	2.6%
Laureate Education, Inc.	2.5%
Perdoceo Education Corporation	2.5%
MKS Instruments, Inc.	2.4%
Ingles Markets Inc.	2.4%
Black Hills Corporation	2.4%
EVERTEC Inc.	2.3%
ePlus, Inc.	2.3%
South Plains Financial, Inc.	2.3%
Netstreit Corporation	2.3%

The companies mentioned in the commentary on page one have the following percentage of total net assets as of 09/30/2025:

Progress Software	2.1%
Lantheus Holdings	2.1%
Avnet Inc.	2.0%
The Buckle Inc.	1.5%
Lundin Mining Corporation	1.3%
Supernus Pharmaceuticals	1.3%
Allison Transmission	1.2%
Carlisle Companies	1.2%
American Eagle Outfitters	1.0%
ANI Pharmaceuticals	1.0%
Kforce	0.7%
Covenant Logistics Group	0.1%

PERFORMANCE

as of September 30, 2025

Average Annual Total Returns at Net Asset Value

	Unannualized		Annualized			
	Q3	Calendar YTD	1-Year	3-Year	5-Year	10-Year
Ordinary Shares	4.51%	5.44%	2.85%	13.69%	14.50%	8.10%
Institutional Shares	4.61%	5.77%	3.26%	14.12%	14.92%	8.48%
R6 Shares	4.69%	5.75%	-	-	-	-
Russell 2000 ¹	12.39%	10.39%	10.76%	15.21%	11.56%	9.77%

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.