

PEAR TREE POLARIS SMALL CAP FUND

FOR THE QUARTER ENDED SEPTEMBER 30, 2026, 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 (2.36%) at net asset value compared to (7.23%) for the Index.

Market Conditions and Investment Strategies

The Federal Reserve's first rate hike since 2023 and persistent inflation made for a more selective environment for small caps. A reversal from last quarter, investors finally shunned speculative plays in favor of quality, a shift that suited the Fund's holdings. The Fund beat the Index in eight of 11 sectors, led by Energy, Information Technology ("IT") and Consumer Discretionary; overweight Financials and Materials lagged.

In Energy, CVR Energy, Inc. benefited from wider gasoline/diesel margins and higher fertilizer prices. In IT, Avnet, Inc. and Arrow Electronics, Inc. extended their recovery on demand for electronic components; ePlus inc. gained on security infrastructure spending and managed services growth; and Progress Software Corp. rebounded as earnings and free cash flow improved and its acquisition of Domo's AI and data platform closed in September. Among Industrials, DNOW Inc., an industrial distributor, rose on energy infrastructure activity and higher volumes, and HNI Corp., an office furniture maker, reported workplace orders up about 5% organically as its Steelcase Inc. integration tracked toward \$120+ million in synergies. Other individual standouts: Aura Minerals Inc. capitalized on higher gold prices and production growth, and Amphastar Pharmaceuticals, Inc. climbed as BAQSIMI sales proved more resilient than expected and new drug launches carried higher margins.

Conversely, several interest rate- and construction-sensitive holdings trailed as investors grew wary of the economic outlook. In Financials, SLM Corp. and Southside Bancshares, Inc. declined as rising rates fueled worries about loan repayments and higher funding costs. Among Industrials, Covenant Logistics Group, Inc. faced elevated insurance, maintenance and driver costs; Acuity Inc. saw weak commercial construction demand, with data center builds yet to materialize; and Barrett Business Services, Inc. was restrained by small-business hiring caution. In Materials, Eagle Materials Inc. contended with softer housing demand, higher freight costs and unplanned plant downtime, while Cabot Corp. cited slower European carbon black volumes. Even so, stock selection helped the Fund hold up well in a down market.

Portfolio Changes

We exited Ennis, Inc. after it reached our valuation target. New buys were quality businesses we believe the market underestimates: Waystar Holding Corp. (healthcare payment software with 97% gross revenue retention and about 10% normalized organic growth), Limbach Holdings, Inc. (building systems for data center build-outs) and HCI Group, Inc. (a Florida property insurer whose majority-owned Exzeo Group, Inc. software sharpens its underwriting).

Outlook

The 10-year Treasury yield above 5.2% and September CPI inflation at 3.7% are raising questions around credit, growth and margins. Small caps have navigated this before: after COVID, companies repriced and restructured to offset rising inflation, so we view this as a temporary headwind. We plan to use this period to our advantage, finding market dislocations. The easy money in AI is behind us, but with a number of AI-related stocks 20%-40% below their peaks and others lumped in with software, we see mispriced opportunities. The same could be said for other sectors (both with and without AI exposure), and we continue to do our bottom-up fundamental analysis to uncover attractive opportunities. ❖

TOTAL EXPENSE RATIOS*

	Gross Expense Ratio*	Net Expense Ratio*
Ordinary Shares	1.35%	1.35%
Institutional Shares	1.09%	0.97%
R6 Shares	0.94%	0.94%

* Per Prospectus dated August 1, 2026, as amended. Reflects all fee waivers currently in effect. Fee waivers may not be amended, rescinded or terminated before July 31, 2027 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, 2026 (The portfolio is actively managed. Holdings and weightings are subject to change daily.)

Top Ten Holdings

Percentage of total net assets	25.8%
CVR Energy, Inc.	2.8%
Arrow Electronics, Inc.	2.8%
Avnet, Inc.	2.7%
ePlus, Inc.	2.6%
Northeast Bancorp	2.5%
Applied Industrial Technologies, Inc.	2.5%
Waystar Holding Corp.	2.5%
Laureate Education, Inc.	2.5%
OFG Bancorp	2.5%
Limbach Holdings, Inc.	2.4%

The companies mentioned in the commentary on page one have the following percentage of total net assets as of 09/30/2026:

Acuity Inc.	2.4%
SLM Corporation	2.2%
Southside Bancshares, Inc.	2.2%
HNI Corporation	2.1%
Covenant Logistics Group, Inc.	2.0%
DNOW Inc.	1.9%
Barrett Business Services, Inc.	1.9%
Cabot Corporation	1.9%
Eagle Materials	1.7%
Aura Minerals Inc.	1.5%
HCI Group Inc.	1.3%
Amphastar Pharmaceuticals, Inc.	1.2%
Progress Software Corporation	1.0%

PERFORMANCE

as of September 30, 2026

Average Annual Total Returns at Net Asset Value

	Unannualized		Annualized			
	Q3	Calendar YTD	1-Year	3-Year	5-Year	10-Year
Ordinary Shares	(2.36%)	14.08%	16.91%	14.14%	8.61%	8.26%
Institutional Shares	(2.25%)	14.41%	17.38%	14.59%	9.02%	8.67%
R6 Shares	(2.25%)	14.45%	17.93%	-	-	-
Russell 2000 ¹	(7.23%)	13.71%	16.20%	17.72%	6.34%	9.84%

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.