

PEAR TREE POLARIS SMALL CAP FUND

FOR THE QUARTER ENDED SEPTEMBER 30, 2022, 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 (4.81%) at net asset value compared to (2.19%) for the Index.

Market Conditions and Investment Strategies

The Fund's Information Technology ("IT"), Materials and Energy holdings detracted most from performance, while Industrials and Financials had relatively strong performance vs. the benchmark.

Among Industrials, Wabash National had robust earnings, as they were able to raise prices to cover raw material costs due to strong demand for their truck trailers. The company went on to announce upbeat year-end guidance. Barrett Business Services saw continued strong demand from existing business and new client wins for their outsourced HR services.

In Consumer Discretionary, Crocs had double-digit gains, capitalizing on 1) the expected reduction in Chinese tariffs, 2) cheaper ocean shipping rates, and 3) HeyDude's productive distribution channels. Winnebago reported record fiscal third quarter results, gaining market share while positioning their business for a tougher operating environment. Sector returns were hampered by Standard Motor Products, as the company missed earnings expectations and reported margin compression on higher raw material costs.

South Plains Financial was the largest contributor to Fund performance, with BOK Financial and International Bancshares Corp. rounding out the top 10. South Plains continued to its upward trajectory, reporting 20% commercial loan growth across diversified industries. Many of the banks in the Fund saw meaningful net interest margin expansion as rates ticked higher and credit losses remained benign.

Dril-Quip Inc. reported improving quarterly earnings, with higher revenues in the offshore drilling market. However, bookings for subsea products slowed as end customers delayed projects until inflation moderates; the stock dropped on this news. Cinemark declined after competitor, Cineworld, filed for Chapter 11. A light movie slate also impacted ticket sales. Evertec, the Puerto Rican electronic transaction company, declined after renegotiating its business and shareholder relationship with Popular, Inc.

Portfolio Changes

The Fund sold Natus Medical, which was taken private by ArchiMed in an all-cash offer; healthy gains were realized on the sale. A reseller of technology products, Insight Enterprises, had booming business during COVID as people built home offices. The stock was sold at a profit this quarter; the timing was fortuitous as a looming recession will likely curtail IT and tech purchases. Spending trends were also the impetus for the sale of Superior Group of Cos, as discretionary spending on corporate promotional and branded products may retract. The Fund purchased Ennis Inc., a wholesale print manufacturer that provides forms, labels, tags, envelopes and more. A defensive play, Ennis has a stable customer base, strong acquisitive growth strategy, conservative balance sheet and competitive material sourcing advantages.

Outlook

The expected economic downturn has materialized, with most U.S. markets entering bear market territory year-to-date. The Fund's benchmark, the Russell 2000, was down 25%, while the S&P 500 declined more than 23%. We pre-empted a similar fate, with keen portfolio positioning into more defensive holdings throughout the year; as a result, we beat the benchmark by more than 800 basis points YTD. We continue to execute on our portfolio strategy, as volatility presents opportunity to purchase attractively priced stocks that improve the valuation and quality profile of the Fund. ❖

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 September 30, 2022 (The portfolio is actively managed. Holdings and weightings are subject to change daily.)

Top Ten Holdings

Percentage of total net assets	
26.7%	South Plains Financial, Inc.
3.5%	Barrett Business Services, Inc.
3.1%	OFG Bancorp
2.8%	Cambridge Bancorp
2.7%	Graphic Packaging Holding Co.
2.6%	International Bancshares Corporation
2.6%	BOK Financial Corporation
2.5%	NOV Inc.
2.4%	Science Applications International Corporation
2.3%	Wabash National Corporation
2.2%	

The companies mentioned in the commentary on page one have the following percentage of total net assets as of 09/30/2022:

Cinemark	2.0%
Evertec	1.9%
Dril Quip	1.7%
Ennis Inc.	1.7%
Standard Motor Products	1.5%
Winnebago	1.4%
Crocs	1.0%

PERFORMANCE

as of September 30, 2022

Average Annual Total Returns at Net Asset Value

	Unannualized		Annualized			
	Q3	Calendar YTD	1-Year	3-Year	5-Year	10-Year
Ordinary Shares	(4.81%)	(16.49%)	(12.04%)	2.86%	2.35%	6.14%
Institutional Shares	(4.73%)	(16.28%)	(11.71%)	3.24%	2.73%	6.47%
Russell 2000 ¹	(2.19%)	(25.10%)	(23.50%)	4.29%	3.56%	8.55%

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.