

PEAR TREE POLARIS SMALL CAP FUND

FOR THE QUARTER ENDED SEPTEMBER 30, 2023, 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 (0.13%) at net asset value compared to (5.13%) for the Index.

Market Conditions and Investment Strategies

World oil demand continued to advance with the recent decision by OPEC members to cut production only adding to the supply/demand imbalance; higher oil prices were the result. In this context, CVR Energy Inc. posted strong refining margins. NOV Inc. benefited from rising demand for offshore and international land drilling, resulting in a 21% increase in revenues. Dril-Quip Inc. rose similarly, highlighting an improved order book, up 47% versus prior year as oil companies increased their cap-ex budgets. Permian Basin oil and gas continues to lead U.S. production through 2023; Diamondback Energy Inc. has a strong presence in this New Mexico/West Texas region.

Recently marred by outlier bank failures, onerous capital requirements rumors, and concerns about deposit flight risk, the U.S. bank market stabilized as investors have priced in higher rates. South Plains Financial Inc. reported robust quarterly earnings, with higher net income, EPS and a growing deposit base. The company also sold their insurance operations, intent on using proceeds for a stock buyback. Puerto Rico-based OFG Bancorp improved its competitive position in the Commonwealth, with strong loan demand and credit quality. Cambridge Bancorp jumped on news of its acquisition by Eastern Bankshares.

Perdoceo Education Corp. was the best performer in the portfolio, and singlehandedly boosted Consumer Discretionary returns. The stock recorded high double-digit gains on improvement in student retention numbers. A few other notable outperformers included industrial-based Curtiss-Wright Corp., Applied Industrial Tech and Allison Transmission Holdings. Wabash National Corp. detracted from Industrial sector returns, as truck trailer demand slowed from 2022 record levels.

Concerns over sluggish semiconductor capital spending dragged down the Information Technology sector. Semiconductor equipment manufacturer MKS Instruments slid on reported higher expenses, operational challenges and leverage as the company worked through its integration of Atotech. The chip shortage of 2020-2022 helped Arrow Electronics. By 2023, demand began to normalize and Arrow reported solid earnings but failed to match prior year numbers.

In Health Care, Computer Programs & Systems reported inconsistent demand and bookings, leading to a revision in full-year guidance. Pacira BioSciences declined after two consecutive quarters of sales misses; the CEO stepped down, surprising the market.

Portfolio Changes

During the quarter, Brookline Bancorp was sold as it had one of the highest loan-to-deposit ratios in the portfolio and, due to recent acquisitions, had more commercial real estate exposure than we deemed appropriate. New buys included Acuity Brands Inc., the U.S. commercial/industrial lighting leader, and The Buckle Inc., a clothing/denim retailer operating across 42 states. They have a pristine balance sheet and are conservatively managed.

Outlook

We are pleased with the resilience of the Fund portfolio, especially in the face of challenging economic conditions. We expect to add a handful of companies in coming quarters, a number of which have been hard hit on the back of recent rate hikes. We intend to capitalize on this volatility to diversify the portfolio and potentially help drive performance when we see a broader recovery in a number of undervalued sectors. ❖

TOTAL EXPENSE RATIOS*

	Gross Expense Ratio*	Net Expense Ratio*
Ordinary Shares	1.53%	1.53%
Institutional Shares	1.28%	1.16%

* Per Prospectus dated August 1, 2023, as amended. Reflects all fee waivers currently in effect. Fee waivers may not be amended, rescinded or terminated before July 31, 2024 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, 2023 (The portfolio is actively managed. Holdings and weightings are subject to change daily.)

Top Ten Holdings

Percentage of total net assets	
27.2%	South Plains Financial, Inc.
3.6%	Barrett Business Services, Inc.
3.0%	OFG Bancorp
2.9%	NOV Inc.
2.8%	Graphic Packaging Holding Co.
2.6%	Hercules Capital, Inc.
2.6%	Eagle Materials Inc.
2.5%	Ingredion Incorporated
2.5%	EVERTEC Inc.
2.4%	Applied Industrial Technologies, Inc.
2.3%	

The companies mentioned in the commentary on page one have the following percentage of total net assets as of 09/30/2023:

Perdoceo Education Corp.	2.2%
MKS Instruments	2.2%
Diamondback Energy Inc.	2.1%
Allison Transmission Holdings	2.1%
Dril-Quip Inc	2.0%
Curtiss-Wright Corp.	2.0%
Wabash National Corp.	2.0%
CVR Energy	1.5%
Computer Programs & Systems	1.5%
Arrow Electronics	1.2%
Acuity Brands Inc.	1.1%
Cambridge Bancorp	1.1%
Pacira BioSciences	1.0%
The Buckle Inc.	1.0%

PERFORMANCE

as of September 30, 2023

Average Annual Total Returns at Net Asset Value

	Unannualized		Annualized			
	Q3	Calendar YTD	1-Year	3-Year	5-Year	10-Year
Ordinary Shares	(0.13%)	1.66%	15.52%	15.65%	2.82%	5.13%
Institutional Shares	(0.03%)	1.91%	15.94%	16.08%	3.20%	5.47%
Russell 2000 ¹	(5.13%)	2.54%	8.93%	7.16%	2.40%	6.65%

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.