Pear Tree Polaris International Opportunities Fund
A Series of Pear Tree Funds

N-14

Part B

Statement of Additional Information

September 15, 2023

This Statement of Additional Information ("Merger SAI") contains additional information to that included in the Prospectus/Proxy Statement of Pear Tree Polaris International Opportunities Fund dated September 15, 2023 (the "Prospectus/Proxy Statement") relating to the sale of all or substantially all of the assets of Pear Tree Axiom Emerging Markets World Equity Fund to Pear Tree Polaris International Opportunities Fund. An unaudited narrative description of the pro forma effects of the reorganization of Pear Tree Axiom Emerging Markets World Equity Fund to Pear Tree Polaris International Opportunities Fund for the twelve-month period ended March 31, 2023 is included in this SAI. The Pear Tree Funds' Statement of Additional Information dated August 1, 2023, as supplemented, is attached to this Merger SAI as an Appendix. This Merger SAI is not a prospectus and is authorized for distribution only when it accompanies or follows delivery of the Prospectus/Proxy Statement. This SAI should be read in conjunction with the Prospectus/Proxy Statement. Investors may obtain a free copy of the Prospectus/Proxy Statement by writing Pear Tree Funds, Attention: Transfer Agent, 55 Old Bedford Road, Suite 202, Lincoln, Massachusetts 01773, or by calling 1-800-326-2151.

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ADDITIONAL INFORMATION ABOUT THE TARGET FUND AND THE ACQUIRING FUND

The Statement of Additional Information of Pear Tree Funds dated August 1, 2023, as supplemented (the "SAI"), which has been filed with the Securities and Exchange Commission, is included as the Appendix to this Merger SAI. The information regarding each of Pear Tree Polaris International Opportunities Fund ("International Opportunities Fund") and Pear Tree Axiom Emerging Markets World Equity Fund ("Emerging Markets Fund") contained in the SAI is hereby incorporated by reference into this Merger SAI.

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Tait, Weller & Baker, LLP, 50 S 16^{th} Street, Philadelphia, Pennsylvania 19102, is International Opportunities Fund's and Emerging Markets Fund's independent registered public accounting firm providing audit services, tax return review and other tax consulting services and assistance and consultation in connection with the review of various Securities and Exchange Commission filings. The following documents are incorporated by reference into this SAI: (i) Report of Independent Registered Public Accounting Firm, financial highlights and financial statements included in International Opportunities Fund's Annual Report to shareholders for the fiscal year ended March 31, 2023, and (ii) Report of Independent Registered Public Accounting Firm, financial highlights and financial statements included in Emerging Markets Fund's Annual Report to shareholders for the fiscal year ended March 31, 2023. The audited financial statements for International Opportunities Fund and Emerging Markets Fund Fund incorporated by reference into the Prospectus/Proxy Statement and SAI have been so included and incorporated in reliance upon the reports of the independent registered public accounting firm, given on their authority as experts in auditing and accounting.

PRO FORMA FINANCIAL INFORMATION

Pear Tree Polaris International Opportunities Fund

And

Pear Tree Axiom Emerging Markets World Equity Fund

Pear Tree Polaris International Opportunities Fund ("International Opportunities Fund") and Pear Tree Axiom Emerging Markets World Equity Fund ("Emerging Markets Fund") are open-end management investment companies registered under the Investment Company Act of 1940, as amended. Both funds are series of Pear Tree Funds, a Delaware business trust, and are managed by Pear Tree Advisors, Inc. (the "Manager").

The unaudited proforma information provided herein should be read in conjunction with the separate financial statements of International Opportunities Fund and Emerging Markets Fund incorporated by reference in this statement of additional information. The Funds follow generally accepted accounting principles (GAAP) in the United States of America applicable to management investment companies, which are disclosed in the separate financial statements of each fund.

1. Narrative Description of the Pro Forma Effects of the Reorganization

The unaudited proforma information set forth below for the twelve months ended March 31, 2023 is intended to present ratios and supplemental data for International Opportunities Fund (the accounting survivor) as if the combination with Emerging Markets Fund (the "Reorganization") had been consummated on March 31, 2023.

International Opportunities Fund and Emerging Markets Fund each offers three classes of shares: Ordinary Shares, Institutional Shares, and R6 Shares. The Reorganization provides for the proposed exchange of assets of each class of shares of Emerging Markets Fund for Ordinary Shares, Institutional Shares, and R6 Shares of International Opportunities Fund. International Opportunities Fund will be the surviving entity for accounting purposes with its results of operations being carried forward.

As of March 31, 2023 the net assets of Emerging Markets Fund and International Opportunities Fund were $70,064,274 and $28,056,624, respectively. Assuming the two funds merged on March 31, 2023 the net assets of the combined fund would have been $98,120,898, which does not reflect any merger related costs due to each fund being over their respective expense limits at March 31, 2023. The net asset value per share after the reorganization assumes the issuance, by International Opportunities Fund, of the following shares for the respective Emerging Markets Fund class net assets at March 31, 2023:

	Shares Issued	Emerging Markets Fund
Ordinary Shares	5,496,320	64,176,941
Institutional Shares	434,682	5,132,392
R6 Shares	63,979	754,941

Assuming the reorganization had occurred at the beginning of the twelve-month period ended March 31, 2023, the proposed reorganization would have resulted in a net decrease of $48,412 in total fund expenses. This is due to an increase in management fees of $14,922 and a decrease in other expenses of $63,334 as well as a lower total fund expense cap on the surviving fund.

The significant accounting policies, including valuation policies, of International Opportunities Fund and Emerging Markets Fund are substantially identical and are not expected to change as a result of the merger.

Security Valuation

Portfolio securities and other investments are valued using policies and procedures adopted by the Trustees. The Trustees have delegated responsibility for valuing International Opportunities Fund's assets in accordance with these procedures to the Manager. The Manager has established an internal Valuation

Committee that is responsible for making fair value determinations, evaluating the effectiveness of the pricing policies of International Opportunities Fund and reporting to the Pricing Committee.

Investments for which market quotations are readily available are valued at the last reported sales price on their principal exchange, or official closing price for certain markets, and are classified as Level 1 securities under Accounting Standards Codification 820 *Fair Value Measurements and Disclosures* (ASC 820). If no sales are reported, as in the case of some securities that are traded OTC, a security is valued at its last reported bid price and is generally categorized as a Level 2 security.

Investments in open-end investment companies (excluding exchange-traded funds), if any, which can be classified Level 1 or Level 2 securities are valued based on their net asset value. The net asset value of such investment companies equals the total value of their assets less their liabilities and divided by the number of their outstanding shares.

Market quotations are not considered to be readily available for certain debt obligations (including short-term investments with remaining maturities of 60 days or less) and other investments; such investments are valued on the basis of valuations furnished by an independent pricing service approved by the Trustees. Such services or dealers determine valuations for normal institutional-size trading units of such securities using methods based on market transactions for comparable securities and various relationships, generally recognized by institutional traders, between securities (which consider such factors as security prices, yields, maturities and ratings). These securities will generally be categorized as Level 2.

Many securities markets and exchanges outside the U.S. close prior to the scheduled close of the New York Stock Exchange for regular trading and therefore the closing prices for securities in such markets or on such exchanges may not fully reflect events that occur after such close but before the scheduled close of the New York Stock Exchange. Accordingly, on certain days, the fund will fair value certain foreign equity securities taking into account multiple factors including movements in the U.S. securities markets, currency valuations and comparisons to the valuation of American Depository Receipts, exchange-traded funds and futures contracts. The foreign equity securities, which would generally be classified as Level 1 securities, will be transferred to Level 2 of the fair value hierarchy when they are valued at fair value. The number of days on which fair value prices will be used will depend on market activity and it is possible that fair value prices will be used by the fund to a significant extent. Securities quoted in foreign currencies, if any, are translated into U.S. dollars at the current exchange rate. Short-term securities with remaining maturities of 60 days or less are valued using an independent pricing service approved by the Trustees, and are classified as Level 2 securities.

To the extent a pricing service or dealer is unable to value a security or provides a valuation that the Manager does not believe accurately reflects the security's fair value, the security will be valued at fair value by the Manager in accordance with policies and procedures approved by the Trustees. Certain investments, including certain restricted and illiquid securities and derivatives, are also valued at fair value following procedures approved by the Trustees. These valuations consider such factors as significant market or specific security events such as interest rate or credit quality changes, various relationships with other securities, discount rates, U.S. Treasury, U.S. swap and credit yields, index levels, convexity exposures, recovery rates, sales and other multiples and resale restrictions. These securities are classified as Level 2 or as Level 3 depending on the priority of the significant inputs.

To assess the continuing appropriateness of fair valuations, the Valuation Committee reviews and affirms the reasonableness of such valuations on a regular basis after considering all relevant information that is reasonably available. Such valuations and procedures are reviewed periodically by the Trustees. The fair value of securities is generally determined as the amount that the fund could reasonably expect to realize from an orderly disposition of such securities over a reasonable period of time. By its nature, a fair value price is a good faith estimate of the value of a security in a current sale and does not reflect an actual market price, which may be different by a material amount.

2. Merger costs

The costs associated with the proposed merger are estimated to be $258,600. These costs represent legal and accounting expenses, portfolio transfer taxes (if any), the costs of printing and mailing this prospectus/proxy statement, and other similar expenses incurred in connection with the consummation of the proposed merger and related transactions contemplated by the Plan of Reorganization. Each fund will assume its own fees and expenses, with joint fees primarily legal and accounting expenses, being allocated between the two funds based on the Manager's determination of what is fair and reasonable. Thus, an estimated $75,354 will be borne and paid by International Opportunities Fund and an estimated $183,246 will be borne and paid by Emerging Markets Fund.

3. Tax implications

It is the policy of each fund to distribute all of its income within the prescribed time and otherwise comply with the provisions of the Internal Revenue Code of 1986, as amended, (the "Code") applicable to regulated investment companies. As of March 31, 2023, International Opportunities Fund had $1,072,392 of loss carryovers available, to the extent allowed by the Code, to offset future net capital gain. As of March 31, 2023, Emerging Markets Fund had $38,096,286 of loss carryovers available, to the extent allowed by the Code, to offset future net capital gain.

The merger is expected to be a tax-free reorganization for federal income tax purposes.

4. Portfolio Realignment

If shareholders approve the proposed merger, Emerging Markets Fund expects to sell a substantial portion of its portfolio holdings before the merger. These sales are intended to conform Emerging Markets Fund's investment portfolio to International Opportunities Fund's investment strategy. No material amount of these sales is expected to be a result of the application of International Opportunities Fund's fundamental investment restrictions to Emerging Markets Fund's investment portfolio. As of September 1, 2023, the Manager anticipates that Emerging Markets Fund will dispose of approximately 96.4% percent of its portfolio holdings prior to the merger; however, this is an estimate and the fund's actual portfolio realignment may differ from the aforementioned amount. Any disposition of portfolio holdings will result in brokerage commissions and other transaction costs, and it may result in the realization of capital gains that will be distributed to shareholders as taxable distributions after reduction by any available capital losses. If sales take place before the date of the proposed merger, any net capital gains recognized in these sales will be distributed to Emerging Markets Fund shareholders as capital gain dividends (to the extent of net realized long-term capital gains over net-realized short-term capital losses) and/or ordinary dividends (to the extent of net realized short-term capital gains over net realized long-term capital losses) during or with respect to the year of sale. Emerging Markets Fund, after taking into account realized gains and losses from the anticipated portfolio dispositioning, is expected to have net capital losses with respect to the taxable year during which such portfolio dispositions take place. As a result, the Manager does not currently anticipate that the fund's portfolio dispositions will result in increased taxable distributions to shareholders prior to the merger. However, the effects of any disposition of portfolio holdings will depend on the facts and circumstances at the time of the disposition. It is possible that dispositions of portfolio holdings could result in the realization of capital gains that would be distributed to shareholders of Emerging Markets Fund as taxable distributions, unless the shares are held through a qualified retirement plan or other tax-advantaged arrangement. If the sales from Emerging Markets Fund had occurred on August 31, 2023, the Manager estimates that the fund would have paid $62,347 (0.09% of total fund assets) in brokerage fees. The actual brokerage commissions paid by Emerging Markets Fund in connection with the merger may be higher or lower than this estimate. If any sales take place after the date of the proposed merger, any net capital gains recognized in these sales will be distributed to shareholders of the combined fund and will likewise be taxable to shareholders, unless the shares are held through a qualified retirement plan or other tax-advantaged arrangement.

5. Supplemental Financial Information

The Reorganization will not result in a material change to Emerging Market Fund's investment portfolio as a result of the application of International Opportunities Fund's fundamental investment restrictions to Emerging Market Fund's investment portfolio. As a result, a schedule of investments of Emerging Market Fund modified to show the effects of such change is not required and thus, is not included.

There are no material differences in the accounting policies of Emerging Market Fund and International Opportunities Fund.

6. Accounting Survivor

International Opportunities Fund will be the accounting survivor.

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