POLARIS CAPITAL MANAGEMENT, LLC
125 Summer Street, 14th Floor – Boston, MA 02110
617-951-1365 or info@polariscapital.com

Information presented is supplemental to the annual disclosure presentation.
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INTERNATIONAL EQUITY COMPOSITE REPORT

	2011			Annualized as of June 30, 2011						
	YTD	**QII**	**QI**	**1 Yr**	**3 Yrs**	**5 Yrs**	**10 Yrs**	**15 Yrs**	**20 Yrs**	**Since 6/30/1984**
Polaris Capital International Equity Composite gross	5.55%	0.84%	4.66%	38.80%	3.95%	3.55%	12.62%	10.42%	11.40%	12.70%
Polaris Capital International Equity Composite net	5.20%	0.68%	4.48%	37.89%	3.23%	2.85%	11.77%	9.57%	10.55%	11.78%
MSCI EAFE Index, gross dividends reinvested	5.35%	1.83%	3.45%	30.93%	-1.30%	1.96%	6.12%	5.13%	6.41%	10.14%

Q2 2011 composite returns are preliminary pending the third-party audit. Past performance is not indicative of future results.

The Polaris International Equity Composite lagged the MSCI EAFE Index benchmark for the quarter ended June 30, 2011. On a year-to-date basis, the Composite has outperformed the benchmark, achieving returns of 5.55% versus 5.35% for the Index.

There were a number of prevalent themes this quarter:

- As forecast in prior commentaries, portfolio management expected more normalized volatility with up and down months and quarters. The second quarter met these expectations with April posting positive performance while May and June remained in negative territory. Such market fluctuation gave management the opportunity to sell fairly valued stocks on market strength, hold and eventually redeploy cash to buy bargain stocks with good fundamentals on market declines.
- Portfolio management's strategy to lower portfolio risk helped in the quarter; three of the top five contributors were defensive in nature. Telecom, utilities, healthcare and consumer staples continued to look appealing, and new purchases were made in some of these sectors in May and June.
- Catalyst activity returned. In a typical year, the international portfolios may see 5-10% of holdings involved in takeovers. However, merger activity was subdued from 2008-2009 due to the credit crisis. Deal activity is returning in 2011, as evidenced by two portfolio companies that are subject to bids: Demag Cranes AG, Tognum AG and Metorex Ltd. Our investment process attempts to identify companies with strong free cash flow and low levels of debt, which in turn, are often attractive takeover candidates.

PERFORMANCE ANALYSIS

The materials sector was the top contributor to international portfolio returns in the quarter, led by Solvay SA and BASF SE. After selling its healthcare division in 2010, Solvay deployed available cash to acquisitions, recently announcing a friendly cash offer for French specialty chemical maker Rhodia. If approved by anti-trust authorities in the European Union and U.S., this acquisition may result in a combined business with 40% exposure to emerging markets, while reducing cyclicality and capitalizing on synergies.

BASF recovered from its mid-March share price correction on expectations that it would be a net beneficiary of higher oil and gas prices. Emerging economy demand for chemicals also fueled the company's strength. Fragrance and flavorings maker Symrise AG advanced on expectations that the company would be able to raise product prices at a faster pace than raw material cost increases.

Metorex Ltd., a South African producer of copper and cobalt, posted strong gains as the object of a bidding war between Brazil's Vale, the world's largest iron ore producer, and China's biggest nickel producer, Jinchuan Group. Management visited Metorex Ruashi mine in The Democratic Republic of Congo in Africa in June, which allowed us to incorporate on-the-ground, first hand data into determining an appropriate sale valuation. This visit also expanded our understanding of mines and raw materials sources in this strategically important country and on the continent.

All holdings in the telecommunications sector posted positive returns. Japanese telecom operator KDDI Corporation was the top contributor based on expectations of improved cash flows now that its fixed line services have turned profitable, smart phone penetration is rising and capital expenditure is stabilizing.

The consumer discretionary sector was buoyed Christian Dior Group; the company's LVMH brand posted strong year over year organic growth, as demand in the U.S., European Union and emerging markets continued to bolster luxury goods sales. Three of four British homebuilders also achieved positive gains, as they capitalize on stability in the U.K housing market, continued low interest rates, improvement in the labor market and the move from production of apartment-style complexes to townhouses and single-family developments. Further solidifying this trend: In a late June 2011 statement, Taylor Wimpey expressed optimism about the housing market, citing gradual improvement in the availability of mortgage financing. The company reported strong margins and expected to beat forecasts as the market stabilizes.

In consumer staples, Asahi Breweries Ltd shrugged off concerns of the dampening effects on consumption after the March tsunami in Japan, reporting a turnaround in operating profit for the first quarter ended March 2011. Higher average utilization ratios during the quarter at domestic breweries and improved profitability at the overseas businesses (namely China) helped boost results. A Japanese dairy company, Meiji Holdings, also rebounded strongly this quarter.

In healthcare, Switzerland based Novartis AG was up strongly after it gained FDA approval for Afinitor (everolimus) as the first new treatment in thirty years for advanced pancreatic neuroendocrine tumors.

Holdings in the information technology and financial sectors were detractors to better performance. Wincor Nixdorf AG, an automated teller machine manufacturer, faced difficult year-on-year comparisons and execution delays for a new product platform. Strong emerging market sales were not yet large enough to offset slower North American and European sales.

State Bank of India declined mainly due to the one-off impact of new regulations requiring counter-cyclical provisioning and a higher provisioning ratio for non-performing loans. UK-based Lloyds TSB Group was another poor performer due to the European sovereign debt crisis and the expectations that European banks will require higher capital standards.

CURRENT ASSET ALLOCATION

Based on market strength in the first three months of 2011, the international portfolios sold four stocks based on valuation, raising cash in anticipation of deploying it for bargain stocks in down markets. This strategy was executed in the second quarter, buying positions in four new companies that offered inexpensive valuations, stable cash flow and good management execution.

German company Deutsche Telekom stands to benefit from the potential sale of its T-Mobile assets to AT&T. In the event the agreed deal does not pass the required regulatory hurdles, Deutsche Telekom will receive a sizeable breakup fee from AT&T.

Teva Pharmaceutical Industries is a global leader in the development and manufacturing of generic drugs. The Israeli company has a long history of successful M&A transactions, and is currently engaged in the final stages of acquiring U.S. biopharmaceutical firm Cephalon Inc. Negative sentiment over the prospect of a generic threat to Teva's branded Copaxone, the leading treatment for multiple sclerosis, provided an opportunity to build a position.

Guangdong Investment Ltd is a Chinese water utility mainly supplying Hong Kong, Shenzhen and Dongguan. The company also has a significant profit contribution from commercial real estate investments in office buildings and shopping malls. Department stores, hotels, toll roads, bridges and electric power units round out the company's holdings.

Maurel et Prom of France has a strong track record in oil and gas exploration and development. The company is currently working in 11 countries on four continents, with specialized presence in Africa and Latin America

No sales were executed during the quarter.

The following table shows the asset allocation for a representative international portfolio as of June 30, 2011.

Representative International Portfolio													
	MSCI EAFE Weight	Portfolio Weight	Energy	Utilities	Materials	Industrials	Consumer Discretionary	Consumer Staples	Health Care	Financials	Information Technology	Telecom. Services	Cash
N. America	*0.00%*	2.38%	0.00%	0.00%	2.38%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Japan	*20.03%*	14.78%	0.00%	1.53%	2.17%	3.01%	0.00%	5.98%	0.00%	0.00%	0.00%	2.09%	0.00%
Other Asia	*13.18%*	11.81%	1.71%	0.69%	2.17%	0.00%	0.00%	0.00%	0.00%	1.99%	3.51%	1.74%	0.00%
Europe	*60.01%*	46.94%	2.06%	0.00%	12.28%	7.73%	10.92%	1.55%	2.43%	5.77%	2.12%	2.09%	0.00%
Scandinavia	*6.08%*	16.62%	0.00%	0.00%	0.00%	6.58%	2.54%	0.00%	0.00%	7.50%	0.00%	0.00%	0.00%
Africa & Middle East	*0.71%*	5.42%	2.23%	0.00%	1.27%	0.00%	0.00%	0.00%	1.91%	0.00%	0.00%	0.00%	0.00%
Cash	*0.00%*	2.06%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	2.06%
Portfolio Totals		100.00%	6.00%	2.22%	20.28%	17.33%	13.45%	7.53%	4.34%	15.25%	5.63%	5.93%	2.06%

Table may not cross foot due to rounding.

INVESTMENT ENVIRONMENT AND STRATEGY

Outlook remains consistent: we expect the global macro-economic recovery to be slow, steady and mixed. Headwinds in both developed (U.S. and European debt and overstretched consumption) and emerging economies (China real estate bubble) signal muted growth. Conversely, we are witnessing pockets of growth, from increased worldwide M&A activity to rebounds in U.S. residential construction starts and manufacturing.

Systemic volatility has created a wealth of fundamentally attractive companies at inexpensive valuations -- nearly quadruple the number of companies typically identified in our proprietary screens and research. We are very optimistic about the values evident in our investment analysis, and we continue to conduct extensive on-the-ground analysis of stock candidates.

While volatility bodes well for our pure value investment process, we are keenly aware of the need to minimize downside risk. We are taking advantage of this environment by adding undervalued companies in defensive sectors in an effort to maintain and grow the value of our investments in the years to come.

As always, we welcome questions, comments and referrals.

FOOTNOTES

The information presented is supplemental. It should not be considered as a recommendation to purchase or sell a particular security mentioned, may change at any time and may not represent current or future investments. References to individual securities throughout this document are intended to illustrate contributors to recent performance or market trends and to provide examples of thematic or security-specific catalysts identified by the investment team as part of its investment process. References to specific securities should not be viewed as representative of an entire portfolio, nor should the performance of any particular security be viewed as representative of the performance experienced by any other security or portfolio. Please refer to the annual disclosure presentation. Past performance is not indicative of future results.

The MSCI EAFE Index, gross dividends reinvested measures the performance of a diverse range of non-U.S. stock markets in Europe, Australia, New Zealand and the Far East. The MSCI EAFE Index measures the performance of stock markets in these geographic areas including reinvestment of gross dividends.