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Information presented is supplemental to the annual disclosure presentation. For composite performance and a fully compliant presentation, go to: www.polariscapital.com/performance.asp

	2009				Annualized as of September 30, 2009				
	YTD	QIII	QII	QI	1 Yr	3 Yrs	5 Yrs	10 Yrs	15 Yrs
<i>Polaris Capital International Equity Composite Gross</i>	52.82%	26.97%	33.47%	-9.82%	13.74%	-4.02%	6.62%	10.25%	10.48%
<i>Polaris Capital International Equity Composite Net</i>	52.08%	26.78%	33.27%	-9.99%	12.92%	-4.66%	5.87%	9.40%	9.59%
MSCI EAFE Index, gross dividends reinvested	29.58%	19.52%	25.85%	-13.85%	3.80%	-3.12%	6.57%	2.94%	5.08%

Past performance is not indicative of future results.

Returns for the Polaris Capital International Composite are gross of management fees.

We are pleased with the third-quarter's performance, which marks the third consecutive quarter in which the composite returns exceeded the benchmark. To highlight the quarter, every sector had absolute positive performance.

This quarter's success can be attributed to three main themes:

1. Many of the portfolio holdings have rebounded, as investors begin recognizing the long-term fundamentals of these companies. In 2008, stocks worldwide were depressed to seemingly untenable levels, with unsubstantiated concerns about bankruptcy and/or little to no product demand. As rational analysis has begun replacing investor hysteria, stocks prices have begun returning to more normalized levels. However, valuations reflect very high levels of risk.
2. Stimulus plans promulgated by governments worldwide have had a positive effect, pushing liquidity into the market, building confidence in the banking system, calming investors' fears and encouraging resumption of consumer buying trends. Companies across multiple industries have seen the rate of declines (in sales/prices/volume) moderating, further giving investors confidence.
3. After a long period of retrenchment when companies liquidated excess inventory in an effort to preserve cash, restocking of inventory has resumed. As a result, the portfolio holdings, ranging from materials to consumer discretionary, have been the beneficiaries of this trend.

THIRD QUARTER 2009 PERFORMANCE ANALYSIS

In the materials sector, the portfolio holdings profited from its investment in commodities (copper, coal, iron ore), which are experiencing a tighter supply/demand balance, partially due to increased demand from emerging markets. Our recent research and company field trips suggest that the stimulus packages in Asia, specifically China, are fueling economic activity in the region, with the focus on domestic as opposed to export-led growth. China has been buying substantial materials to fuel that growth, benefiting our materials holdings.

Other materials gained on the themes outlined above: for example, Smurfit Kappa and CRH rebounded handsomely after suffering extremely low valuations. Chemical companies, including BASF, proved to be strong performers merely because decline rates began subsiding. We expect such fundamentally-strong companies to benefit further when their business models can be fully realized.

The industrials sector was one of the stronger contributors to the quarter's returns. Stimulus packages proved a boon for industrial holdings involved in infrastructure such as YIT, the Finish building/construction services company, Kone OYJ, a Finish elevator and escalator company, and Trevi Finanziaria, an Italian construction and engineering company that won a large dam repair contracts in the U.S. In addition, service-based industrial businesses proved resilient, retaining stable cash flows.

Consumer discretionary holdings, another top contributing sector, substantially outperformed the benchmark this quarter, due mainly to British homebuilders. After having experienced large declines in 2008, the homebuilders' rebound can be attributed to two factors: 1) individual companies completed rapid restructuring and strengthened balance sheets, and 2) industry conditions have improved, as the contraction of supply

stabilized prices and volumes. Additionally, mortgage availability is starting to return. The sole detractor to performance in this sector was Culture Convenience, a Japanese holding company of video/music soft rental chain stores, which suffered from increased market competition.

Financial holdings continue to be a strong contributor to performance. The common theme is non-performing loans are beginning to level off and many banks have recapitalized, closing the gap on the pending higher regulatory capital requirements.

Energy holdings also contributed to performance but to a lesser degree as they accounted for less than 10% of the total portfolio. A lead contributor in this sector, France's Technip SA, was recently awarded a substantial refinery contract in Saudi Arabia. This example exemplifies a trend whereby reduced oil field construction costs have stimulated oil company demand for new refineries and liquid gas installations.

Telecommunications and utility stocks achieved positive absolute returns, but underperformed versus their respective sector benchmarks.

It is important to note that these "defensive" holdings offered a good balance to the portfolio and reduce cyclical exposure. We will continue to opportunistically purchase select undervalued defensive names to offer more diversification and potentially strong returns over the long-term.

THIRD QUARTER 2009 ASSET ALLOCATION

Three new investments were initiated this quarter, including two geographically-diverse banks. We invested in one Indian bank, State Bank of India, based on the company's business model, in conjunction with research indicating that India is "under-banked" relative to more developed countries. In addition, the country has a large emerging middle class that will be actively saving and borrowing. A Swedish bank, Svenska Handelsbanken, which resisted overly aggressive lending policies and is now taking market share from competitors, was also added.

In the materials sector, we added a German flavor/fragrance producer, Symrise AG, which sells product to food processors, cosmetics and other consumer staples companies. The company enjoys an approximate 10% market share and offers very good value relative to its major competitors. Though categorized as a materials sector company, this holding adds excellent diversification to the portfolio because of its consumer non-durable product orientation

Preservation of capital remains a top priority in the current strategy. The following table reflects the September 30, 2009 sector and country allocation for a representative portfolio.

	EAFE Weighting	Portfolio					Consumer		Health Care	Financials	Information Technology	Telecom. Services	Other	Cash
		Weighting	Energy	Utilities	Materials	Industrials	Discretionary	Staples						
N. America	0.00%	2.59%	0.00%	0.00%	2.59%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
Japan	21.46%	13.40%	0.00%	3.83%	1.43%	2.74%	0.58%	3.41%	0.00%	0.00%	1.41%	0.00%	0.00%	
Other Asia	12.02%	11.85%	1.89%	0.00%	2.36%	0.00%	0.00%	0.00%	1.99%	3.95%	1.66%	0.00%	0.00%	
Europe	61.20%	46.83%	2.50%	0.00%	13.26%	7.69%	12.47%	2.10%	1.61%	7.20%	0.00%	0.00%	0.00%	
Scandinavia	5.33%	18.45%	0.00%	0.00%	0.00%	9.39%	3.30%	0.00%	0.00%	5.76%	0.00%	0.00%	0.00%	
Africa & S. America	0.00%	1.90%	1.47%	0.00%	0.43%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
Cash	0.00%	4.97%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	4.97%	
Industry Totals		<u>100.00%</u>	5.86%	3.83%	20.08%	19.82%	16.35%	5.51%	1.61%	14.95%	3.95%	3.08%	0.00%	4.97%
EAFE Weighting	<u>100.00%</u>		8.15%	6.10%	9.35%	11.30%	9.65%	9.72%	8.17%	26.62%	5.00%	5.93%	0.00%	0.00%

INVESTMENT ENVIRONMENT AND STRATEGY

Maintaining a conservative outlook, we expect economic progress to continue as the market is better positioned now than it was this time last year. The extreme volatility and investor hysteria has subsided, as investors return to focus on fundamentals. Stock prices are beginning to return to normalized levels, as we have seen many of the portfolio holdings perform strongly in the second and third quarters of 2009. However, we caution investors that the perception of recovery and the resulting market performance may be volatile.

Recent research trips have confirmed our view of the general economy, whereby early-cycle companies like branded consumer goods are seeing a modest upturn. Mid-cycle companies continue to experience weeks and/or months of positive results, interspersed with some negative market retraction. Late-cycle companies, typically dependent on capital spending, have seen order rates and cash flows decline, without visibility of a recovery timeline. Much of the recovery will be dependent on consumer demand and consumption, which will not resume in full force until unemployment lessens.

Looking ahead, the portfolio holdings are well positioned to benefit from even a slight rise in consumer demand. Over the past year, companies restructured dramatically; many of the portfolio holdings can now produce strong cash flows and reach profitability with a much lower volume of business. The current portfolio reflects our goal of seeking out fundamentally-strong companies that can generate strong and stable free cash flows, easily manage debt service and provide shareholders with sustainable returns.

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.

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