



# POLARIS

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This composite commentary is provided as part of our historical archive and not intended for current marketing or advertising use. The entirety of the respective quarterly commentary will be available on the ensuing pages. Should you have questions/concerns, please contact Polaris Capital via our [website](#) or call the office directly. For more information, [Contact Our Team](#).

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Additional data specific to Polaris' global and international investments is available as follows:

For current global equity performance, [please click here](#)

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For current global equity performance commentary, [please click here](#)

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**For composite performance and a fully compliant presentation, go to:**

	<i>EAFE</i>	Portfolio												
	<i>Weighting</i>	Weighting	Energy	Utilities	Materials	Industrials	Consumer Discretionary	Consumer Staples	Health Care	Financials	Information Technology	Telecom. Services	Other	Cash
N. America	0.00%	4.09%	0.00%	0.00%	4.09%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Japan	20.10%	17.91%	0.00%	2.88%	4.16%	3.98%	0.56%	4.76%	0.00%	0.00%	0.00%	1.57%	0.00%	0.00%
Other Asia	9.82%	7.61%	1.95%	0.00%	1.87%	0.00%	0.00%	0.00%	0.00%	0.00%	2.18%	1.61%	0.00%	0.00%
Europe	63.71%	42.89%	2.53%	0.00%	8.09%	4.51%	11.82%	2.31%	0.00%	13.63%	0.00%	0.00%	0.00%	0.00%
Scandinavia	6.38%	19.47%	0.00%	0.00%	0.85%	11.65%	2.60%	0.00%	0.00%	4.37%	0.00%	0.00%	0.00%	0.00%
Africa & S. America	0.00%	6.70%	1.85%	0.00%	4.85%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Cash	0.00%	1.34%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.34%
Industry Totals		<u>100.00%</u>	6.33%	2.88%	23.90%	20.14%	14.98%	7.07%	0.00%	17.99%	2.18%	3.19%	0.00%	1.34%
<i>Market Weighting</i>	<u>100.00%</u>		<u>11.12%</u>	<u>4.75%</u>	<u>7.78%</u>	<u>11.82%</u>	<u>9.68%</u>	<u>8.96%</u>	<u>8.82%</u>	<u>22.05%</u>	<u>10.43%</u>	<u>4.59%</u>	<u>0.00%</u>	<u>0.00%</u>

Table may not cross foot due to rounding.

#### INVESTMENT ENVIRONMENT AND STRATEGY:

We expect market volatility to persist, if hedge funds continue to fail and other risky lenders default. The financial industry is likely to feel the reverberations; however, we have reinforced the portfolios against such contractions by investing in banks and reinsurers with minimal subprime issues.

As always, we seek companies with the following commonalities: strong fundamentals, significant free cash flow, earnings growth and good market share in growing industries/countries. Yet, in 2007, many of these stocks fell victim to macro-economic trends and investor pessimism, pushing prices down to unwarranted levels.

This market environment presents good buying opportunities, as we continue to identify new compelling valuations on companies worldwide. In conducting local research, meeting with management teams and interviewing local competitors, we have pinpointed many new high-quality companies previously dismissed due to high valuations. We have made purchases, and will continue to add new investments, thereby seeking to enhance the quality and growth of the portfolio.