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

## INTERNATIONAL EQUITY COMPOSITE REPORT

| | 2010 | | Annualized as of March 31, 2010 | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | YTD | QI | 1 Yr | 3 Yrs | 5 Yrs | 10 Yrs | 15 Yrs | 20 Yrs | Since Inception 6/30/1984 |
| *Polaris Capital International Equity Composite gross* | 4.65% | 4.65% | 80.07% | -7.96% | 4.45% | 10.26% | 10.91% | 9.81% | 12.49% |
| *Polaris Capital International Equity Composite net* | 4.47% | 4.47% | 78.91% | -8.59% | 3.73% | 9.41% | 10.03% | 8.96% | 11.56% |
| *International Equity Benchmarks* | | | | | | | | | |
| MSCI EAFE Index, gross dividends reinvested | 0.94% | 0.94% | 55.20% | -6.55% | 4.24% | 1.68% | 5.23% | 5.62% | 10.14% |
| Lipper International Mutual Funds | 1.60% | 1.60% | 52.35% | -6.57% | 4.05% | 1.43% | 6.16% | N/A | N/A |

*Q1 2010 composite returns are preliminary. Past performance is not indicative of future results.*

### FIRST QUARTER 2010 PERFORMANCE ANALYSIS

By maintaining a disciplined approach during the downturn, we identified fundamentally-strong companies with good cash flows and positive business conditions that could survive volatile markets. We are pleased that our approach has been successful, resulting in strong 2009 and first quarter 2010 performance.

First quarter success was largely attributed to industrial, energy, financial and materials stocks; eight out of ten sectors posted positive returns.

Shipping companies, typically considered among the leading indicators of economic activity and global trade, rebounded strongly this quarter, boosting the portfolios' industrial sector performance. In particular, Japan's Iino Kaiun Kaisha and Nippon Yusen produced healthy returns on an anticipated recovery in global trade.

Over the past two years, industrial company stocks experienced mixed performance; however, in this quarter, approximately 80% of the portfolios' industrial holdings reached positive territory. Such returns may signal a more sustained recovery, further substantiated by our recent discussions with company managements, whereby many industrials indicated that March 2010 was a turning point in order flows.

Energy sector stocks traded at fair valuations based on continued high oil prices and crude demand. The exception was refining companies, which continued to trade at low valuations. For example, Thai Oil's complex refineries benefitted from increasing petroleum demand in Asian markets. In addition, higher oil prices coupled with lower construction and materials costs resulted in increased interest in large project activity. France's Technip SA stock rose in anticipation that bid activity will eventually lead to new orders and project revenues.

With the exception of the Bank of India, which retrenched slightly after strong performance in 2009, all other portfolio financial holdings were in positive territory, with U.K-based Lloyds TSB Group as a top contributor. The stock rebounded after its £13.5 billion rights offering was completed in mid-December 2009.

In the materials sector, international portfolios profited from its investment in commodities (copper, coal and iron ore), which have experienced a tighter supply/demand balance, partially due to increased demand from emerging markets. Further bolstering the portfolios' materials performance was German flavor and fragrance producer Symrise AG, which was first added to the portfolio in 2009.

Consumer staples and consumer discretionary stocks were the two sectors that experienced negative results. Impacted by Greece's sovereign debt crisis, which renewed concerns about credit availability across Europe, consumer discretionary stocks suffered. However, during the month of March, some of this concern abated. Coupled with steady earnings announcements, homebuilders rebounded from declines earlier in the quarter. With the exception of homebuilders, all other consumer discretionary stocks, including Autoliv, the Swedish developer of automotive safety systems, and Duni AB, the provider of tabletop goods to restaurants, posted strong returns. Irish convenience foods producer Greencore Group was the only consumer staples company to post a negative return for the quarter. Company fundamentals remain intact; weakness in the Euro impacted the stock.

## CURRENT ASSET ALLOCATION

During the quarter, we sold holdings in the industrial and utility sectors that had reached their valuation limits or where analysis revealed deterioration in individual company fundamentals. These sales improved the valuation of the portfolio and reduced exposure in some sectors that may experience further weakness. No new buys were executed during the period.

The following table reflects the March 31, 2010 sector and country allocation for a representative portfolio.

| | *EAFE Weighting* | Portfolio Weighting | Energy | Utilities | Materials | Industrials | Consumer Discretionary | Consumer Staples | Health Care | Financials | Information Technology | Telecom. Services | Cash |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| N. America | *0.00%* | 2.62% | 0.00% | 0.00% | 2.62% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Japan | *22.22%* | 12.76% | 0.00% | 2.05% | 1.75% | 3.51% | 0.38% | 3.64% | 0.00% | 0.00% | 0.00% | 1.43% | 0.00% |
| Other Asia | *12.61%* | 12.68% | 2.38% | 0.00% | 2.89% | 0.00% | 0.00% | 0.00% | 0.00% | 2.23% | 3.36% | 1.82% | 0.00% |
| Europe | *59.47%* | 45.11% | 2.93% | 0.00% | 11.27% | 8.60% | 10.96% | 1.96% | 1.93% | 7.47% | 0.00% | 0.00% | 0.00% |
| Scandinavia | *5.70%* | 19.44% | 0.00% | 0.00% | 0.00% | 6.92% | 5.24% | 0.00% | 0.00% | 7.28% | 0.00% | 0.00% | 0.00% |
| Africa & S. America | *0.00%* | 2.38% | 1.80% | 0.00% | 0.58% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Cash | *0.00%* | 5.01% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 5.01% |
| Industry Totals | | 100.00% | 7.12% | 2.05% | 19.11% | 19.02% | 16.59% | 5.60% | 1.93% | 16.98% | 3.36% | 3.25% | 5.01% |
| *Market Weighting* | *100.00%* | | *8.00%* | *5.58%* | *10.51%* | *11.80%* | *9.92%* | *9.98%* | *8.11%* | *25.33%* | *5.28%* | *5.50%* | *0.00%* |

Table may not cross foot due to rounding.

## INVESTMENT ENVIRONMENT AND STRATEGY

Over the past 15 years, world economies aligned, with most growing strongly for more than a decade. This trend abruptly stopped with the recent financial crisis. Analysis on individual companies (rather than geographies or sectors) takes on added importance in this environment. In conversations with companies worldwide, no prevalent trend persists; the global economy remains mixed. Some companies are showing stability and steady cash flows, while others are relying on diminishing order books. Buoyed by government stimulus, many of these companies are concerned about sustainable demand when stimulus spending dissipates.

While mixed results define the developed world, faster domestic growth rates are being seen in the BRIC (Brazil, Russia, India and China) countries, specifically in India and China. Even in emerging markets, growth expectations are mitigated by a potential real estate bubble in China and the developed world's capacity to increase consumption and imports from low-cost countries. We remain concerned that the massive and simultaneous borrowing by governments worldwide will be limited by a finite pool of savings to fund such large deficits.

Rather than predict volatile macro-economic conditions, we continue to seek out companies we believe are able to weather economic downturns. We carefully assess the fundamental strengths of individual holdings, noting that the outlook for many of the portfolio companies' cash flows is promising. Dramatic downsizing during the recession resulted in much leaner organizations; many of the portfolios' holdings can generate cash flows on modest incremental growth. We are pleased with the current quarter outperformance versus the benchmark, and will continue to seek out investments that may withstand volatility and provide strong returns in a recovery.

## *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 stock markets in Europe, Australia, New Zealand and the Far East. The Lipper averages are compiled by Lipper, Inc., an independent mutual fund research and rating service. Each Lipper average represents an index of quarterly results for all global or international funds as published in the Lipper Special Quarterly Summary Report. The Lipper averages and all indices are not investment products available for purchase.*