FIRST QUARTER 2014 INTERNATIONAL EQUITY COMPOSITE REPORT

POLARIS CAPITAL MANAGEMENT, LLC

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INTERNATIONAL EQUITY COMPOSITE REPORT

	2014		Annualized as of March 31, 2014						
	YTD	QI	1 Yr	3 Yrs	5 Yrs	10 Yrs	15 Yrs	20 Yrs	Since 6/30/1984
Polaris Capital International Equity Composite gross	**3.68%**	**3.68%**	**28.07%**	**14.16%**	**26.49%**	**10.64%**	**12.35%**	**11.43%**	**12.93%**
Polaris Capital International Equity Composite net	**3.50%**	**3.50%**	**27.22%**	**13.40%**	**25.65%**	**9.87%**	**11.53%**	**10.58%**	**12.02%**
MSCI EAFE Index, gross dividends reinvested	0.77%	0.77%	18.06%	7.72%	16.56%	7.01%	4.91%	5.93%	9.92%

Q1 2014 composite returns are preliminary. Past performance is not indicative of future results.

PERFORMANCE ANALYSIS

The Polaris International Equity Composite (gross of fees) outperformed the MSCI EAFE Index benchmark for the quarter, up 3.68% versus the benchmark's 0.77%. Most sectors contributed to positive returns, led by consumer discretionary, consumer staples and health care.

British homebuilders continued to top performance in the consumer discretionary sector, benefiting from rising prices and volume gains in new housing. Additionally, the U.K. government extended its new home buying program beyond 2016, upon which Barratt Developments, Persimmon, Bellway and Taylor Wimpey may capitalize.

Within consumer staples, Irish convenience food producer Greencore Group purchased Lettieri's, a U.S. manufacturer of food-to-go products for convenience stores. With this acquisition, Greencore can expand its relationships with Starbucks and 7-Eleven. In March, Greencore announced plans to build a greenfield sandwich manufacturing facility in Rhode Island, which is expected to service New England and New York. Furthermore, recent reports indicated that ready-to-eat chilled foods are the fastest growing category among U.K. grocery stores, of which Greencore is a main participant. The stock advanced in excess of 20% for the quarter.

The aggressive $25 billion acquisition bid by Actavis PLC, the world's second largest generic drug maker, for U.S.-based Forest Laboratories gave a tangential stock price boost to Teva Pharmaceutical, another large generic drug maker.

When considering investment opportunities in the materials sector, we seek out companies that may exploit the large price discrepancies and arbitrage between low priced gas (especially U.S. natural gas) and oil. One such opportunity is methanol, the largest producer of which is portfolio holding Methanex. During the quarter, we initiated the purchase of one of the largest fertilizer companies in the world, Norway-based Yara International, which sources natural gas and converts it to upgraded fertilizer for specific crops. Lanxess AG, a specialty chemical company engaged in synthetic rubber and tire durability products, was the other new buy in materials.

Among other materials companies, German flavors and fragrance maker Symrise announced stable results from each of its divisions worldwide, with notable sales in emerging countries. CRH PLC, a supplier of building materials primarily in Western Europe and North America, gained this quarter. Although 2013 performance stagnated, CRH management projected 2014 growth based on improving U.S. trends and European market stabilization. The cold U.S. winter may stimulate road repair. The company also benefited from favorable ratings from several sell side analysts.

Performance within the telecommunications sector varied, with German company Freenet among the top individual stock contributors to performance, whereas KDDI Corporation (Japan) and Deutsche Telekom (Germany) were laggards. Freenet exceeded its own guidance for 2013, led by mobile communications and digital lifestyle services. After reaching a 13-year stock price high in November 2013, KDDI retracted in the first quarter of 2014.

Industrial sector returns were mixed, with one of the top individual stock performers in Trevi Finanziaria mitigated by the worst performer, YIT Oyj. Italian ground engineering firm Trevi was up for the quarter partially due to $270 million in new foundation, infrastructure and rehabilitation orders in the U.S., Middle East and Africa. In mid-February, Trevi’s oil drilling subsidiary, Drillmec, was awarded the supply of new oil drilling rigs, worth about $135 million. At the other end of the spectrum was YIT Oyj, which primarily handles construction in Russia and Finland. Slower Finnish construction activity and the current turmoil in Russia and the Ukraine has understandably impacted the stock price.

Financial holdings were led by Germany reinsurer Hannover Re, and two Swedish companies, Svenska Handelsbanken and Investor AB. During the quarter, we purchased Norwegian savings bank Sparebank 1 SR, which has low loan losses and improving net interest margins. The main sector detractor was Standard Chartered, which announced slower growth in emerging markets and a write-down on its South Korean business.

In negative territory for the quarter was utility company, Guangdong Investment, which declined even though it announced increased revenue and healthy profits for 2013. Gains in Wincor Nixdorf could not offset declines in the information technology sector, as Samsung and Infosys dropped. Although Sasol was one of the top 10 individual contributors during the quarter, its results did not mitigate declines in other energy sector stocks, especially those involved in exploration and production. Investors were displeased by French oil and gas explorer Maurel et Prom, when the company decided to eliminate the dividend for the coming year even as it reported a 54% jump in 2013 profits. Tullow Oil, an independent oil explorer focused in emerging market countries throughout the African continent, announced lackluster 2013 results, with rising revenues but fading operating profit due to exploration write-offs on a few “dry holes”. Tullow continues to maintain its competitive edge in Africa (namely in Ghana, Uganda and Kenya), where it continues to tap expansive oil and gas resources.

The following table reflects the sector and country allocation for a representative international equity composite portfolio as of March 31, 2014.

	MSCI EAFE Weight	Portfolio Weight	Energy	Utilities	Materials	Industrials	Consumer Discretionary	Consumer Staples	Health Care	Financials	Information Technology	Telecom. Services	Cash
N. America	*0.0%*	3.2%	0.0%	0.0%	3.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Japan	*19.7%*	8.1%	0.0%	0.0%	1.3%	0.0%	0.0%	4.4%	0.0%	0.0%	0.0%	2.4%	0.0%
Other Asia	*12.2%*	7.9%	1.1%	1.3%	1.3%	0.0%	0.0%	0.0%	0.0%	0.0%	4.2%	0.0%	0.0%
Europe	*61.7%*	60.5%	3.4%	0.0%	13.1%	3.4%	19.2%	3.7%	4.7%	6.2%	2.3%	4.5%	0.0%
Scandinavia	*6.4%*	15.7%	0.0%	0.0%	0.6%	6.2%	2.1%	0.0%	0.0%	6.8%	0.0%	0.0%	0.0%
Africa & South America	*0.0%*	1.9%	1.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Cash	*0.0%*	2.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.8%
Portfolio Totals		100.0%	6.4%	1.3%	19.5%	9.6%	21.3%	8.1%	4.7%	13.0%	6.5%	7.0%	2.8%

Table may not cross foot due to rounding.

INVESTMENT ENVIRONMENT AND STRATEGY

Our focus on bottom-up stock selection has allowed us to identify companies with strong fundamentals that were able to weather the 2008-2009 recession, and rebound as the global economic environment slowly improves. With global markets up over the last two years, fewer companies are passing through our rigorous screening technology. Presently, the sectors most prominent in our screens include financials, industrials, consumer discretionary and information technology. The geographies at the top of our list include Japan, select Asian countries and the U.K. We have also noticed an increasing number of small and mid-sized companies in both developed and emerging markets; as these companies increase in size, the investable market will increase. In anticipation of these developments, we have further refined our screening systems to ensure availability of a broad range of investment ideas and added analysts to our experienced research team.

As always, we welcome your questions and comments.

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 the 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.