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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, visit: www.polariscapital.com/international-equity/

INTERNATIONAL EQUITY COMPOSITE REPORT

	2013			Annualized as of June 30, 2013						
	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	**9.53%**	**0.79%**	**8.67%**	**30.70%**	**17.25%**	**5.46%**	**12.03%**	**9.60%**	**11.03%**	**12.35%**
Polaris Capital International Equity Composite net	**9.17%**	**0.62%**	**8.49%**	**29.84%**	**16.47%**	**4.74%**	**11.24%**	**8.79%**	**10.18%**	**11.45%**
MSCI EAFE Index, gross dividends reinvested	4.47%	-0.73%	5.23%	19.14%	10.55%	-0.16%	8.16%	4.06%	5.59%	9.53%

Q2 2013 composite returns are preliminary pending independent third-party verification. Past performance is not indicative of future results.

The International Equity Composite (gross of fees) outperformed its benchmark, gaining 0.79% versus the MSCI EAFE Index (gross), which was down -0.73% for the quarter. Year-to-date, the International Equity Composite is up 9.53% compared to 4.47% for the Index.

International markets proved volatile during the second quarter; the MSCI EAFE Index increased 5.33% in April but fell -2.31% and -3.53% in May and June respectively. The MSCI Japan Index advanced 4.42% as investors continued to chase the promise of liquidity gains based on the Bank of Japan's (BOJ) actions to inflate its money supply to reverse 15 years of deflation. The Yen reversed its losses and appreciated 5.22% for the quarter, calling into question the effectiveness of the BOJ actions.

The U.S. economy has continued to expand with firmer domestic demand, lower natural gas prices and a resumption in consumer spending. U.S. treasury rates moved up strongly in the quarter causing declines in bond prices after the U.S. Federal Reserve signaled the central bank may start retracting its stimulus program if the U.S economic recovery proves sustainable. This also triggered a selloff in many emerging markets and their currencies. In June, the growing speculation about scaling back the Fed's quantitative easing, in combination with worries about the Chinese economy, weighed on Asian equities.

After research trips to Asian countries during the quarter, we returned with impressions that economic growth will continue in Asia but in a saw tooth pattern. We left concerned about liquidity in the Chinese banking system. However, we identified investment ideas, which proved even more attractive on valuation when the MSCI Emerging Market Index declined -7.95% in the quarter.

PERFORMANCE ANALYSIS

The international portfolio's continued success against the benchmark was attributed to positive absolute performance in some defensive sectors, including consumer discretionary, health care, consumer staples and telecommunications services. Greencore Group, Barratt Developments and KDDI Corp. bolstered returns. Main detractors stemmed from financials, materials and information technology sectors, with individual stocks Samsung Electronics and Infosys impeding results.

British homebuilders added to the consumer discretionary sector returns, with Barratt Developments, Persimmon and Taylor Wimpey capitalizing on rising home purchases due to the U.K. government's Funding for Lending Scheme to improve mortgage availability.

Irish food producer Greencore Group was the best performing stock within consumer staples. The stock was also the top contributor to the international portfolio's performance and had the highest absolute return of all portfolio companies, up approximately 30% in the quarter. The company reported first half results through March, with revenues of $871 million and adjusted earnings per share up 11%. Greencore completed the integration of Uniq in the U.K. with the restructuring of the dessert business and disposal of one facility, and successfully launched its food-to-go at Starbucks and 7-11 in the U.S. Analyst reports from

Davy Securities and Investec, both of which referenced earnings trajectory on the U.S., further advanced the stock price.

Japan's second largest mobile phone operator KDDI buoyed the telecommunications sector, followed by Deutsche Telekom. The introduction of discounted bundled services, as well as new customers and lower churn numbers, helped KDDI. Deutsche Telekom's subsidiary, T-Mobile U.S.A., introduced the iPhone to its network and successfully merged with MetroPCS in April, gaining a larger share of airwave licenses to more effectively compete with bigger carriers. Deutsche Telekom owned 74% of the new T-Mobile USA, which listed on the NYSE at the end of April. In addition, German customers are replacing basic mobile phones with smart phones, prompting an increase in product upsell.

Other notable stock contributions came from Canadian methanol producer, Methanex Corp., German ATM manufacturer Wincor Nixdorf, and Trevi Finanziaria, the Italian ground engineering service firm in the industrial sector. Trevi achieved a second consecutive quarter of double digit returns, backed by recent contract wins in the oil drilling segment. Another industrial holding, YIT Oyj, declined after management forecast weaker service and maintenance business. The construction businesses in Russia and Finland have remained healthy. The company underwent a demerger whereby its service division was spun off as Caver ion Corp and the construction division remained YIT.

Information technology results were negatively impacted by Infosys and Samsung. Indian business consulting and tech company, Infosys, reported quarterly revenues slightly below expectations due to product price erosion. Disappointing revenue guidance and management's declination to predict fiscal year 2014 profit margins and earnings-per-share only exacerbated the situation. The share price dropped more than 19% in a single day, but has since recovered some of its losses as founder N.R. Narayana Murthy rejoined the company as executive chairman. The company is increasing its consulting and product development business and intends to use its significant cash reserve to pursue this strategy.

Samsung Electronics dropped in the second quarter, as its sales of its Galaxy S4 smartphone (released in late April) fell short of expectations. Numerous analysts went on to cut second quarter earnings and sales forecasts for the company; the stock slipped to its lowest valuation since 2007 in response to the analyst reports. As deep value managers of the international portfolio, we considered this a timely buying opportunity, as Samsung retained its fundamental strengths (market share gains, recent deals, strong intellectual property and product R&D, healthy free cash flows and balance sheets), only hindered by investor reaction to negative news.

Financials also detracted from returns, with Standard Chartered down on concerns of its exposure in emerging markets. However, in late June, Standard Chartered pre-announced satisfactory second quarter revenue growth.

CURRENT ASSET ALLOCATION

While no positions were liquidated in the quarter, the international portfolio deployed existing cash to current holdings and one new position, Ipsos SA of France. Ipsos conducts market research for global consumer product companies in different geographies utilizing local talent. Firmly seated in the defensive consumer discretionary sector, Ipsos has offered relatively stable cash flows and healthy business projections.

The following table reflects the sector and country allocation for a representative international portfolio as of June 30, 2013.

Representative International Portfolio Asset Allocation

	Portfolio Weighting	Energy	Utilities	Materials	Industrials	Consumer Discretionary	Consumer Staples	Health Care	Financials	Information Technology	Telecom. Services	Cash
N. America	3.3%	0.0%	0.0%	3.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Japan	8.2%	0.0%	0.0%	1.6%	0.0%	0.0%	4.0%	0.0%	0.0%	0.0%	2.6%	0.0%
Other Asia	9.3%	1.7%	1.4%	1.1%	0.0%	0.0%	0.0%	0.0%	0.0%	5.1%	0.0%	0.0%
Europe & Israel	54.3%	1.1%	0.0%	11.9%	1.8%	19.6%	3.4%	4.3%	6.4%	2.1%	3.8%	0.0%
Scandinavia	14.7%	0.0%	0.0%	0.0%	7.2%	1.2%	0.0%	0.0%	6.3%	0.0%	0.0%	0.0%
Africa & South America	1.8%	1.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Cash	8.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	8.3%
Portfolio Totals	**100.0%**	**4.6%**	**1.4%**	**17.9%**	**9.0%**	**20.8%**	**7.4%**	**4.3%**	**12.7%**	**7.2%**	**6.4%**	**8.3%**

Table may not cross foot due to rounding.

INVESTMENT ENVIRONMENT AND STRATEGY

Global markets and economies remain mixed, as indicated by slightly positive U.S. macro-economic conditions, flat European markets and turbulent emerging country dynamics. We expect this level of variability to continue in the coming quarters, as economies around the world grow in fits and starts.

Our research screens are pointing to potential investment opportunities in Asia. As a result, our analysts have traveled to Indonesia, Singapore, China, Taiwan and South Korea to assess industry conditions, competitive advantages, profitability, operating and financial leverage and the quality of management of various companies in an effort to identify new companies that may enhance the international portfolio's performance. Meetings with select Asian company management teams provided invaluable insight to product developments and market demand. However, headwinds prevail with liquidity constraints in China and ongoing weakness in other Asian countries. Success in volatile markets may depend on bottom-up stock selection, focusing on individual companies with strong fundamentals. We are committed to the task at hand, resolute in our quest to maintain the international portfolio's outperformance.

As always, we welcome 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 World and EAFE Indexes, gross dividends reinvested, measure the performance of a diverse range of global stock markets in the United States, Canada, Europe, Australia, New Zealand and the Far East. The MSCI World and EAFE Indexes measure the performance of stock markets in these geographic areas including reinvestment of gross dividends. The S&P 500 Index is a broad-based, unmanaged measurement of changes in stock market conditions based on the average of 500 widely held common stocks.