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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**

For current international equity performance, **please click here**

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For current global equity performance commentary, **please click here**

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THIRD QUARTER 2018 INTERNATIONAL EQUITY COMPOSITE REPORT

POLARIS CAPITAL MANAGEMENT, LLC

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

	2018				Annualized as of September 30, 2018				
	YTD	QIII	QII	QI	1 Yr	3 Yrs	5 Yrs	10 Yrs	Since 6/30/1984
Polaris Capital International Equity Composite gross	1.11%	1.67%	1.24%	-1.77%	6.28%	13.00%	8.47%	10.90%	11.97%
Polaris Capital International Equity Composite net	0.73%	1.54%	1.11%	-1.88%	5.74%	12.42%	7.90%	10.23%	11.12%
MSCI EAFE Index, gross dividends reinvested	-0.98%	1.42%	-0.97%	-1.41%	3.25%	9.76%	4.90%	5.87%	9.11%

Q3 2018 composite returns are preliminary. Past performance is not indicative of future results.

The Polaris International Equity Composite returned +1.67% for the third quarter of 2018, outperforming the MSCI EAFE Index, which returned +1.42%. Positive country contributions were noted from Norway and Switzerland, as well as Asian regions including Thailand and South Korea. Puerto Rico also added to gains. The only notable country detractors were the U.K. and France. Currency impact was minimal for the quarter.

From a sector perspective, gains in financials, telecommunication services, energy and materials offset modest declines in consumer discretionary, industrials and information technology (IT). Financials were buoyed by Siam Commercial Bank (+30%), while a handful of other institutions had double-digit gains including Popular Inc., Hannover Re, Sparebank 1 SR and Svenska Handelsbanken. The portfolio was overweight and outperformed in the materials sector, as Yara International and Methanex Corp. gained on positive supply-demand metrics. LG Uplus Corp. was the big winner in the telecom sector.

Publicis Groupe, Next PLC and Magna International were most responsible for consumer discretionary weakness. In IT, semiconductor manufacturer, SK Hynix, and online gaming company, Nexon Co., were down. Two U.K. companies, Babcock International Group and BBA Aviation, led declines in the industrial sector.

PERFORMANCE ANALYSIS

Siam Commercial Bank was the greatest contributor overall in the international portfolio. The Thailand bank's earnings highlighted solid loan growth and good credit metrics that compensated for increased IT spending. Investors were pleased to see Puerto-Rican bank, Popular Inc., flush with cash in a post-hurricane rebuild, as the company initiated a $125 million stock buyback plan and completed the purchase of Wells Fargo's auto-finance business in Puerto Rico. German reinsurer, Hannover Re (+13%), reported stronger-than-anticipated quarterly results and expanded the dividend. Svenska Handelsbanken rallied after the release of its quarterly results, which outlined increased revenues and improvement in operating profit. Sparebank 1 SR beat analyst estimates for pre-tax profits and net interest margins, while impairments were adjusted down. Financial sector returns would have been even stronger if not for Colombia's Bancolombia S.A. and U.K.-based Standard Chartered PLC. Standard Chartered (-9%) faced increased costs related to technology investment and compliance, as well as potential fines due to prior Iran sanction breaches.

Amongst materials, Yara International's (+18%) quarterly revenue was above analyst estimates, and fertilizer deliveries were higher due to European demand as well as acquisitions in India and Brazil. Methanex, the market leader and a low-cost producer of methanol, noted strong second quarter 2018 revenue as demand from olefin makers and clean fuel suppliers continued to outstrip supply.

Select other sector stocks added measurably to outperformance. In telecom, LG Uplus (+31%) launched a new mobile plan that gained traction, winning over subscribers from other South Korean telecoms. LG

Uplus also entered into an exclusive multi-year partnership with Netflix to distribute content in South Korea. In health care, Swiss pharmaceutical company, Novartis AG (+14%), cited quarterly results with both organic revenue and earnings growth; the company went on to reiterate its optimistic full-year guidance.

Consumer discretionary holdings impinged most on quarterly results, with three of the five worst performing stocks portfolio-wide relegated to this sector: Publicis Groupe, Magna International and Next PLC. French advertiser, Publicis, reported softer quarterly sales, but held firm to full-year organic sales growth projections. Canadian auto parts manufacturer, Magna International, dropped after the company reported record second quarter 2018 results but reduced its full year outlook. Magna revised guidance due to expectation of slower sales, especially in BMW, and a shift toward larger vehicles (underserved by Magna) vs. sedans. U.K. clothing retailer, Next PLC, was down after the company warned that the warm-weather clothing sales boost may not be sustained. These losses were partially offset by the third best overall portfolio contributor, U.K. theater group Cineworld PLC, which was up +18% on the back of blockbuster movie ticket sales; Cineworld anticipates second half results to be in line with guidance.

In IT, South Korean semiconductor company, SK Hynix, was hit by weaker DRAM pricing heading into 2019. Nexon Co.'s second quarter earnings missed expectations; the stock was driven down -10%. Investors were also concerned Nexon may face headwinds related to China's new game license policies and the delayed launch of the mobile version of Dungeon and Fighter in China.

U.K. government services outsourcer, Babcock International (-13%), was the largest individual detractor to overall portfolio returns. Despite reaffirming full year profit targets, Babcock lowered revenue assumptions as the marine segment was impacted by a reorganization of major client, the U.K. Navy. Elsewhere in industrials, BBA Aviation noted weak U.S. private jet travel despite strong economic activity in the U.K. and U.S.

During the quarter, we exited Australian energy consulting firm, WorleyParsons, as the company reached its full valuation target. Cash has been redeployed to bolster existing holdings, including recent purchase, Korean Tobacco & Ginseng Corporation (KT&G). KT&G's healthy balance sheet stems from a dominant local market position, a growing international and emerging market operation and new products to compete in the "Heat Not Burn" product segment.

The following table reflects the sector and regional allocation for a representative international equity composite portfolio as of September 30, 2018.

	MSCI EAFE Weight	Portfolio Weight	Energy	Utilities	Materials	Industrials	Consumer Discretionary	Consumer Staples	Health Care	Financials	Information Technology	Telecom. Services	Real Estate	Cash
N. America	*0.0%*	6.6%	0.0%	0.0%	2.7%	0.0%	2.0%	0.0%	0.0%	2.0%	0.0%	0.0%	0.0%	0.0%
Japan	*24.6%*	6.2%	0.0%	2.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.1%	2.0%	0.0%	0.0%
Other Asia	*11.8%*	19.1%	0.0%	0.0%	2.2%	0.0%	2.9%	1.2%	0.0%	5.7%	5.2%	1.8%	0.0%	0.0%
Europe	*57.4%*	47.2%	0.0%	0.0%	10.2%	7.6%	14.2%	1.8%	4.3%	6.0%	0.0%	3.1%	0.0%	0.0%
Scandinavia	*6.2%*	12.6%	0.0%	0.0%	2.2%	3.2%	0.9%	0.0%	0.0%	6.3%	0.0%	0.0%	0.0%	0.0%
Africa & South America	*0.0%*	4.0%	2.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.8%	0.0%	0.0%	0.0%	0.0%
Cash	*0.0%*	4.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	4.4%
Portfolio Totals		100.0%	2.1%	2.1%	17.2%	10.8%	20.0%	3.0%	4.3%	21.8%	7.3%	6.8%	0.0%	4.4%
MSCI EAFE Weight	*100.0%*		*6.2%*	*3.2%*	*8.1%*	*14.5%*	*12.2%*	*11.2%*	*11.1%*	*19.7%*	*6.8%*	*3.7%*	*3.4%*	*0.0%*

Table may not cross foot due to rounding.

INVESTMENT ENVIRONMENT AND STRATEGY

U.S. stocks continue to perform well relative to the rest of the world, simply because the U.S. economy continues to show signs of strength. The majority of companies with which we speak echo this upbeat viewpoint. However, there are pockets of weakness, like auto sales trending down and certain sectors impacted by tariffs.

Most other world economies were in modestly positive territory for the quarter. Germany pointed to domestic demand and above-inflation pay raises bolstering growth. House buying remained firm, along with retail sales and service in the U.K. although not all signals are positive. BREXIT-related uncertainty may drag on business investment in the U.K. in coming quarters. While there is concern manufacturing activity is slowing throughout Europe as export demand weakens and input costs firm, we continue to see a potential strengthening in the third quarter after a slower summer. Asian economies are wary, as the U.S.-China tariff salvos continue.

These concerns have led to recent global market volatility, which has pushed some of our watch-list companies down to our price targets. We have renewed our research on these and other companies with the intent of near-term purchases. We continue to enhance the valuation profile, limit downside risk, and position the portfolio for long-term success.

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.