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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/

	2009					Annualized as of December 31, 2009				
	YTD	QIV	QIII	QII	QI	1 Yr	3 Yrs	5 Yrs	10 Yrs	15 Yrs
Polaris Capital International Equity Composite gross	55.17%	1.54%	26.97%	33.47%	-9.82%	55.17%	-7.85%	4.17%	9.38%	10.71%
Polaris Capital International Equity Composite net	54.15%	1.36%	26.78%	33.27%	-9.99%	54.15%	-8.47%	3.45%	8.54%	9.82%
MSCI EAFE Index, gross dividends reinvested	32.46%	2.22%	19.52%	25.85%	-13.85%	32.46%	-5.57%	4.02%	1.58%	5.30%

Past performance is not indicative of future results.

The year 2009 marked the end of the first decade of the new millennium. It was an inauspicious start as 2000-2009 was the worst decade since 1900 (110 years) for U.S. equities and the second worst for global equities. With annualized returns of 9.38% during the decade, the Polaris Capital Management International Composite (gross of fees) outperformed the 1.58% annualized return for the MSCI EAFE Index. Polaris' success may be credited to strong bottom-up stock picking, as our research identified fundamentally-strong industrials, materials, energy and other companies that not only weathered difficult operating conditions, but thrived by addressing demands from emerging markets.

FOURTH QUARTER 2009 PERFORMANCE ANALYSIS

Detracting from strong annual performance, the international portfolios' fourth quarter return of 1.54% (gross of fees) trailed the MSCI EAFE Index, which advanced 2.22%. Fourth quarter underperformance was primarily due to lackluster financial and consumer staples stocks. However, the international portfolios achieved healthy contributions from materials and industrials companies.

In the materials sector, chemical companies worldwide recovered, with firming demand aiding performance of BASF SE and Methanex Corporation. Metals companies experienced strong growth, mainly due to demand for raw materials in China. In fact, the supply/demand situation in many commodities remains tight due to emerging country growth and development. Smurfit Kappa Group, the Irish producer of cardboard boxes, was another strong contributor to performance. The slow improvement in economic conditions highlighted the company's business model as having less downside risk and more upside potential.

Industrial holdings with strong order books and service business components performed well, including Kone OYJ and Andritz AG. Repair and service activities typically provide stable margins and sustainable cash flow even in the worst of economic conditions; this helped several portfolio companies in 2009. Meetings with various companies' managements indicated that third quarter 2009 results appeared to mark the bottom of the economic cycle; many industrial companies expected fourth quarter business to improve. Cargotec, the Finnish manufacturer of port cargo handling equipment, turned in strong performance as cost-cutting efforts became increasingly visible. Camillo Eitzen & Co., an international shipping company, experienced an 88% stock boost on news of a buyout offer from an Indonesian company.

In energy, France's Technip SA continued to benefit from news of a Saudi Arabian refinery order. The decline in construction costs is motivating some national and private oil companies to renew exploration and development work, which made bode well for energy holdings.

The two main deterrents to better performance were financials and consumer staples stocks. Bank of Ireland, a strong performer throughout the year, retrenched in the fourth quarter, due to uncertainty about the company's participation in a government-sponsored bailout plan. In the U.K., Lloyds TSB Group issued a rights offering to raise capital, which had a negative impact on its stock price during the offering period. Lloyds successfully completed the £13.5 billion rights issue in mid-December, using the proceeds to increase its capital base and effectively keeping the U.K. government from taking a controlling stake.

Underperformance within the consumer staples sector was attributable mainly to Japanese holdings. Japan was one of the weaker markets during the fourth quarter of 2009, declining 2.8% in contrast to the return of the broader MSCI EAFE Index, which was up 2.2%. Japan-based Meiji Dairies and Asahi Breweries, along with Irish convenience foods company, Greencore, were lead detractors to performance in this sector.

CALENDER YEAR 2009 PERFORMANCE ANALYSIS

Good 2009 results can be attributed to pre-crisis stock picking and the decision to hold and add to many investments, many of which had declined substantially in 2008. We maintained a calm, disciplined approach during the downturn, recognizing that declines in fundamentally strong portfolio companies with good cash flows and positive business conditions would not persist. During 2009, the majority of international portfolios' holdings rebounded dramatically, with many of the portfolio companies' stock prices doubling in value.

Positive returns were broad-based, with sector benchmark outperformance in industrials, materials, consumer discretionary, energy and IT. In the materials sector, portfolios profited from their investments in commodities (copper, coal, iron ore), which are experiencing a tighter supply/demand balance, partially due to increased demand from emerging markets. Stimulus packages in Asia and the U.S. are fueling infrastructure activity in both regions, clearly benefitting portfolios' holdings in building supplies. Chemical companies also proved to be strong performers as demand renewed somewhat unexpectedly on the back of large scale production cut-backs in the industry.

Stimulus packages also provided a boon for industrials involved in infrastructure, such as YIT OYJ, Kone OYJ and Trevi Finanziaria. Trevi Finanziaria won large dam repair contracts in the U.S. In addition, service-based industrial businesses proved resilient, retaining stable margins and sustainable free cash flows.

Within consumer discretionary, U.K. homebuilders proved nimble in production schedules and reduced supply, which resulted in firmer U.K. house pricing. Additionally, many of these companies reinforced their financial strength to prepare for the resumption of the growth expected in the U.K. housing sector. Interestingly, the U.S. is in a multi-year correction process, but it has taken less than one year for the U.K. housing market to correct. Three of four U.K. homebuilders in the portfolios more than doubled in value during the year.

Defensive holdings, namely telecommunications and utilities, proved to be low risk stocks that buffered market volatility in 2008. In 2009, however, investors began selling these off to take more risk in other industries. Consequently, portfolios' holdings in these sectors were negatively impacted. We will continue to opportunistically identify undervalued defensive names that offer diversification, reduced cyclical exposure and potentially strong returns over the long-term.

FOURTH QUARTER 2009 ASSET ALLOCATION

During the quarter, we trimmed holdings in financials, where analysis revealed deterioration in fundamentals in relation to evolving market dynamics. Sell decisions were executed, as we identified companies expected to be challenged going forward, and we retained companies that suffered short-term cash flow reductions, but which have strong long-term fundamentals. Cash proceeds were allocated to new investment ideas and increased weightings in portfolio areas with strong growth potential.

In the fourth quarter, an initial investment was made in Eitzen Chemical (controlled by Camillo Eitzen), the third largest chemical transportation company worldwide based on number of vessels. The company sought new funds to bolster its cash reserves and we bought shares at an opportune price.

International portfolios remain underweight Europe and overweight Scandinavia. The following table reflects the December 31, 2009 asset allocation for a representative international portfolio.

	EAFE Weighting	Portfolio Weighting	Energy	Utilities	Materials	Industrials	Consumer Discretion'y	Consumer Staples	Health Care	Financials	Information Technology	Telecom. Services	Other	Cash
N. America	*0.00%*	2.21%	0.00%	0.00%	2.21%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Japan	*20.68%*	14.06%	0.00%	4.15%	1.60%	2.59%	0.49%	3.70%	0.00%	0.00%	0.00%	1.52%	0.00%	0.00%
Other Asia	*12.36%*	12.53%	2.06%	0.00%	2.92%	0.00%	0.00%	0.00%	0.00%	2.44%	3.31%	1.80%	0.00%	0.00%
Europe	*61.64%*	46.52%	2.66%	0.00%	12.04%	8.35%	12.14%	2.16%	2.03%	7.14%	0.00%	0.00%	0.00%	0.00%
Scandinavia	*5.32%*	22.04%	0.00%	0.00%	0.00%	9.98%	4.76%	0.00%	0.00%	7.30%	0.00%	0.00%	0.00%	0.00%
Africa & S. America	*0.00%*	2.58%	1.84%	0.00%	0.74%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Cash	*0.00%*	0.06%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.05%
Industry Totals		100.00%	6.56%	4.15%	19.51%	20.92%	17.39%	5.86%	2.03%	16.88%	3.31%	3.32%	0.00%	0.05%
Market Weighting	*100.00%*		*10.93%*	*4.61%*	*7.52%*	*10.43%*	*9.34%*	*10.16%*	*10.07%*	*20.59%*	*11.96%*	*4.41%*	*0.00%*	*0.00%*

Table may not cross foot due to rounding.

INVESTMENT ENVIRONMENT AND STRATEGY

Recent discussions with portfolio companies indicate that the economic recovery is mixed, with industrials and materials experiencing slow growth in North America and Europe, and moderate growth in Asia and Latin America. Late-stage companies still do see growth for several years. Until the recovery extends to more industries and markets and unemployment is reduced, we expect historically aggressive monetary and fiscal stimulus by central banks and governments around the world to continue. If massive government borrowing creates future inflation, the portfolios' holdings in real assets (such as materials and industrials) should provide a hedge. However, we do not claim an ability to accurately forecast macro-economic trends, preferring our long-standing commitment to bottom-up stock picking.

Current bottom-up analysis indicates that many companies are returning to more normalized valuation levels. As fair valuations return, our research team will dig deep to unearth undervalued companies across sectors and countries. We continue to identify a mix of companies poised to benefit from the general market recovery. Undervalued opportunities are pinpointed on a case-by-case basis.

As uncertainty and volatility remain in the global market, we have worked diligently to design sector and country diversified portfolios, with companies that are likely to continue to generate strong cash flows in various macro-economic environments.

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.