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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**

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

POLARIS
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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

	2018					Annualized as of December 31, 2018				
	YTD	**QIV**	**QIII**	**QII**	**QI**	**1 Yr**	**3 Yrs**	**5 Yrs**	**10 Yrs**	**Since 6/30/1984**
Polaris Capital International Equity Composite gross	**-12.73%**	**-13.69%**	**1.67%**	**1.24%**	**-1.77%**	**-12.73%**	**5.97%**	**3.00%**	**12.55%**	**11.40%**
Polaris Capital International Equity Composite net	**-13.26%**	**-13.89%**	**1.54%**	**1.11%**	**-1.88%**	**-13.26%**	**5.38%**	**2.44%**	**11.87%**	**10.55%**
MSCI EAFE Index, gross dividends reinvested	-13.36%	-12.50%	1.42%	-0.97%	-1.41%	-13.36%	3.38%	1.00%	6.81%	8.62%

Q4 2018 composite returns are preliminary. Past performance is not indicative of future results.

The Polaris International Equity Composite returned -13.69% for the fourth quarter of 2018, lagging the MSCI EAFE Index at -12.50%. Macro-economic pressures overrode company fundamentals, leading to a depressed global market. Materials sector returns were far worse than the commentary received from companies. Most of the portfolio's materials companies had strong third quarter earnings, offering guardedly optimistic guidance. However, U.S.-China trade tensions started to impact industrial production at quarter end, with sluggish manufacturing output reported in China, the Euro Zone and the U.S. The resultant weaker demand for materials, industrials and commodities caused pricing softness. In particular, oil prices were sharply down, impacted by higher U.S. production volumes due to continued technology-driven cost reductions and productivity. Other cyclical sectors, including financials and consumer discretionary, posted losses. Defensive holdings in utilities and consumer staples mitigated declines.

Weakness in the materials sector was responsible for poor results in Germany, Canada and Norway, while ongoing BREXIT concerns affected U.K. holdings. South Korea and Puerto Rico, two countries not in the MSCI EAFE Index, performed markedly better than the total benchmark return. Starting in 2016, we began to overweight South Korea, investing in companies that appeared to be lower risk and might hold up in a possible bear market. This strategy proved helpful this quarter. Negative foreign exchange impact was approximately -1.3% of the portfolio return. Currencies in material-sensitive countries, including Norway, Colombia, Canada and Australia, depreciated against the U.S. dollar.

PERFORMANCE ANALYSIS

The three worst performing stocks in the portfolio came from the materials sector: Methanex Corp., LANXESS AG and Imerys SA. Methanex noted solid quarterly earnings, citing higher volumes and average realized prices. The Canadian methanol producer re-opened its Chile IV plant, completed within the stated timeframe and budget. Yet, the stock was down in anticipation of weaker methanol prices due to lower oil prices. LANXESS, the German specialty chemical company, reported good quarterly results backed by higher selling prices, acquisition synergies and contributions from its U.S. phosphorus additives business. Guidance was equally compelling, but the stock faltered on industry-wide pricing softness in chemicals. Imerys reported solid third-quarter revenues, increasing operating income and a favorable price-mix in the market, none of which could overcome concerns about ongoing U.S. talc lawsuits. One positive was the long-expected Linde-Praxair merger, which closed at the end of October. We supported this merger and continue to have an optimistic outlook on the industrial gas industry and the newly formed company, Linde PLC.

BREXIT concerns hampered consumer discretionary stocks, with three underperformers from the U.K. Unusually warm weather, competitors' sales warnings and the proposition of new import tariffs dragged down U.K. retailers. NEXT PLC fell in line with the broader retail market, but NEXT's results were decidedly more upbeat. The Christmas holiday trading update was better than expected, with healthy retail and online sales. The stock is up strongly in early 2019 trading. U.K. home builders, Taylor Wimpey and

Bellway, published strong trading updates, with rising sales rates and healthy order books. Yet Taylor Wimpey warned that the March BREXIT deadline may weigh on consumer confidence; both stocks dropped on the news. South Korea's Kia Motors was a highlight in the sector, as the company guided for higher auto shipments in 2019 and is expected to refresh its model lineup.

Portfolio performance in financials was better than the benchmark, albeit in negative territory. German reinsurers, Hannover Re and Munich Re, were the bright spots in a sector hampered by oil-dependent Scandinavian banks. DNB ASA had lackluster third-quarter results, with lower investment banking fees. Norway regulators accused DNB of lax anti-money laundering controls; the bank countered that the audit did not uncover any concrete transgressions. Svenska Handelsbanken reported third-quarter operating profit that beat market expectations on the back of few loan losses. However, Svenska stock was down due to consistently higher costs, credit losses in the bank's British arm and branch closings planned as part of an efficiency program to move operations and customer relationships online.

Babcock International was the worst performer in the industrial sector. The U.K. engineering firm was penalized by an unverified and poorly-researched short-seller report. This report, from an unidentifiable source, held more sway with investors than actual performance metrics supplied by Babcock, including 1) a new 15-year agreement with the U.K. Ministry of Defense, 2) third quarter 2018 results in line with expectations and 3) divestiture of non-core businesses. Gains from Loomis AB offset some of the sector declines. Loomis' third quarter revenue compared favorably to the prior year period, with an 8% real growth rate. During the quarter, we purchased SKF AB, a Swedish bearing and seal manufacturing company operating in more than 130 countries.

Utilities, including Japan's Kansai Electric Power, and consumer staples, like tobacco/ginseng company KT&G Corp, proved to be defensive safe havens. In communication services, Deutsche Telekom held its value after reporting a strong third quarter. The telecom cited customer growth, higher earnings across all operating segments and increased guidance.

The following table reflects the sector and regional allocation for a representative international equity portfolio as of December 31, 2018.

	Portfolio Weight	Energy	Utilities	Materials	Industrials	Consumer Discretionary	Consumer Staples	Health Care	Financials	Information Technology	Telecom. Services	Real Estate	Cash
N. America	6.1%	0.0%	0.0%	1.9%	0.0%	2.2%	0.0%	0.0%	2.0%	0.0%	0.0%	0.0%	0.0%
Japan	6.8%	0.0%	2.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	4.5%	0.0%	0.0%
Other Asia	21.0%	0.0%	0.0%	2.3%	0.0%	2.9%	1.3%	1.8%	5.7%	5.1%	1.8%	0.0%	0.0%
Europe	43.4%	0.0%	0.0%	9.4%	7.0%	9.2%	1.9%	2.4%	6.6%	0.0%	6.8%	0.0%	0.0%
Scandinavia	13.0%	0.0%	0.0%	2.0%	4.0%	0.8%	0.0%	0.0%	6.2%	0.0%	0.0%	0.0%	0.0%
Africa & South America	3.7%	1.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.9%	0.0%	0.0%	0.0%	0.0%
Cash	6.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	6.0%

Table may not cross foot due to rounding.

2018 PERFORMANCE ANALYSIS

The year 2018 was one of contrasts, with the MSCI EAFE Index producing modest single-digit gains or losses in the first three quarters, followed by a precipitous drop in the fourth quarter. The international equity composite's performance pattern generally mirrored that of the Index, but outperformed for the year at -12.73% vs. the Index's -13.36%. Benchmark-beating results stemmed from gains in utilities and energy, as well as relatively positive results in communication services, information technology and financials. Detractors were materials and consumer discretionary, in which the portfolio was both overweight and underperforming. At a country level, the composite outperformed in Australia, Japan, Switzerland, Italy, Austria and Germany. Among the largest contributors were out-of-benchmark exposures to Puerto Rico and India.

INVESTMENT ENVIRONMENT AND STRATEGY

In early 2018, we noted a favorable supply-demand balance in sectors like materials and industrials. Now, trade tensions have started to impact actual industrial activity. Our research is identifying anecdotal evidence of Chinese factory workers sent home for weeks without pay. Activity in the U.S. manufacturing sector expanded at a much slower pace than expected in December, according to the Institute for Supply

Management. The silver lining to this situation: the more near-term pain inflicted on various parties, the more likely will be compromises in trade and political negotiations globally. When and if a favorable compromise is reached, investors may anticipate a new period of global economic cooperation. It would be less beneficial to economic growth and investor returns if the world entered a long period wherein policies favor protectionism and strict self-interest. Even in that environment, companies could likely adapt to operate under the local rules and practices in place. Meanwhile, volatility will likely continue and we could see more declines in global markets before conditions improve. In this environment, companies are trading at single-digit multiples to earnings and many stocks are down 20% to 50%. This is an opportune time to purchase watch list stocks at attractive prices.

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 Total Return Index is a broad-based, unmanaged measurement of changes in stock market conditions based on the average of 500 widely held common stocks. The Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) is a monthly measure of the average change over time in the prices paid by urban wage earners and clerical workers for a market basket of consumer goods and services. The Bloomberg Barclays Aggregate Gov't/Corporate Bond Index is a broad-based, flagship benchmark that measures the investment grade, U.S. dollar-denominated, fixed-rate taxable bond market. One cannot invest directly in an index.