



# POLARIS

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Additional data specific to Polaris' global and international investments is available as follows:

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invested in a Japanese music/video company; as the Japanese market strengthens, consumer discretionary spending may continue to grow.

The portfolio remained underweight in the U.S. and overweight in Japan, Scandinavian countries and emerging markets. The U.S. market offers less value than the rest of the world; however, the valuation disparity has narrowed in recent months.

The following table shows the asset allocation at March 31, 2008.

	<i>World Market Weighting</i>	<i>Portfolio</i>												
		<i>Weighting</i>	<i>Energy</i>	<i>Utilities</i>	<i>Materials</i>	<i>Industrials</i>	<i>Consumer Discretion'y</i>	<i>Consumer Staples</i>	<i>Health Care</i>	<i>Financials</i>	<i>Information Technology</i>	<i>Telecom. Services</i>	<i>Other</i>	<i>Cash</i>
N. America	50.97%	33.54%	1.21%	2.43%	3.98%	6.89%	1.31%	0.00%	3.61%	12.76%	0.00%	1.35%	0.00%	0.00%
Japan	9.85%	10.82%	0.00%	1.41%	2.12%	2.64%	0.43%	3.01%	0.00%	0.00%	0.00%	1.20%	0.00%	0.00%
Other Asia	4.81%	5.21%	1.24%	0.00%	1.26%	0.00%	0.00%	0.00%	0.00%	0.00%	1.54%	1.17%	0.00%	0.00%
Europe	31.24%	30.90%	1.51%	0.00%	5.58%	3.39%	9.37%	1.72%	0.00%	9.34%	0.00%	0.00%	0.00%	0.00%
Scandinavia	3.13%	12.03%	0.00%	0.00%	0.62%	7.03%	1.38%	0.00%	0.00%	3.00%	0.00%	0.00%	0.00%	0.00%
Africa & S. America	0.00%	4.79%	1.10%	0.00%	3.69%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Cash	0.00%	2.69%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	2.69%
Industry Totals		100.00%	5.06%	3.85%	17.26%	19.95%	12.50%	4.73%	3.61%	25.10%	1.54%	3.72%	0.00%	2.69%
Market Weighting	100.00%		11.12%	4.75%	7.78%	11.82%	9.68%	8.96%	8.82%	22.05%	10.43%	4.59%	0.00%	0.00%

Table may not cross foot due to rounding.

#### INVESTMENT ENVIRONMENT AND STRATEGY:

General indications point to a sluggish U.S. economy throughout the first half of 2008, exacerbated by the housing debacle and other financial woes. However, the Federal Reserve expects growth to pick up in the second half of the year and into 2009, aided by the government's tax break stimulus packages and aggressive interest rate reductions. On a positive note, company management teams report strength among U.S. exporters due to the weak U.S. dollar.

Before this turnaround, we expect market volatility to persist, if hedge funds continue to fail and other risky lenders default. The financial industry is likely to feel the reverberations; however, we have reinforced the portfolios against such contractions by investing in banks and reinsurers with minimal subprime issues.

As always, we seek companies with the following commonalities: strong fundamentals, significant free cash flow, earnings growth and good market share in growing industries/countries. Yet, in 2007, many of these stocks fell victim to macro-economic trends and investor pessimism, pushing prices down to unwarranted levels.

This market environment presents good buying opportunities, as we continue to identify new compelling valuations on companies worldwide. In conducting local research, meeting with management teams and interviewing local competitors, we have pinpointed many new high-quality companies previously dismissed due to high valuations. We have made purchases, and will continue to add new investments, thereby seeking to enhance the quality and growth of the portfolio.