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

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GLOBAL EQUITY COMPOSITE REPORT

	2012		Annualized as of March 31, 2012						
	YTD	**QI**	**1 Yr**	**3 Yrs**	**5 Yrs**	**10 Yrs**	**15 Yrs**	**20 Yrs**	**Since 9/30/1984**
Polaris Capital Global Equity Composite gross	13.60%	13.60%	-1.55%	26.38%	-1.80%	8.75%	9.19%	12.47%	11.23%
Polaris Capital Global Equity Composite net	13.44%	13.44%	-2.12%	25.64%	-2.41%	7.94%	8.30%	10.34%	11.52%
Global Equity Benchmarks									
MSCI World Index, gross dividends reinvested	11.72%	11.72%	1.14%	20.90%	-0.13%	5.27%	5.43%	7.35%	9.88%

Q1 2012 composite returns are preliminary pending the third-party audit. Past performance is not indicative of future results.

A modest economic recovery, waning fears over Europe's credit crisis as well as the Federal Reserve's relaxed monetary policy drove up first-quarter equity market performance, with every country in the MSCI World Index except Spain in positive territory. In the developed world, management teams cut costs and drove profitability and cash flows. The developing world continued to grow, putting upward pressure on raw material prices. The coexistence of inflation and deflation between emerging and developed worlds respectively is an on-going tension, forcing companies to be ever more efficient in operations, whether service or manufacturing. The annual reports for many companies continued to show satisfactory progress, contrary to the expectation imbedded in the low valuations of 2011.

Until valuations return to normalized levels, equities may continue to be attractive to value managers as was evident in the first quarter. Many fundamentally-sound companies traded in single digit multiples. Dividend yields exceeded most countries' long-term bond rates and operating improvements continued to occur at the company level despite economic headwinds. Many of the global portfolio's non-U.S. equities, as well as those capitalizing on growth in emerging countries, experienced a significant rebound this quarter.

PERFORMANCE ANALYSIS

Financials were the top contributor to performance in the quarter, led by U.S. banks. In February 2012, U.S.-based Ameris Bancorp announced its ninth FDIC-facilitated purchase, acquiring assets and deposits of Central Bank of Georgia. Ameris had previously stated its intent to grow through acquisition, and continues to execute to achieve this business goal. The bank has been methodically (and successfully) integrating each new bank, although slow progress sometimes dampens investor enthusiasm. Ameris' business strategy, its strong balance sheet and strong management team helped boost the stock this quarter; we expect that the stock has further upside potential.

Southwest Bancorp experienced an outstanding quarter, following on the success in late 2011. The bank's continued success stemmed from management's decision to sell off more than $300 million in problem loans and other non-performing assets at the end of 2011. As a result, Southwest started 2012 with an improved balance sheet and a renewed focus on commercial/healthcare banking in the fairly resilient markets of Oklahoma, Texas and Kansas. Assuming containment/lessening of non-performing assets, Southwest has the capability to grow further, at is remains significantly undervalued by the market.

Among non-U.S. financials, Scandinavian banks DNB Nor and Svenska Handelsbanken contributed measurably to returns. The more resilient Norwegian economy supported solid lending growth and improving lending spreads. Handelsbanken reported strong fourth quarter net interest income growth, driven by better volumes and higher margins. The portfolio's insurance company holdings achieved double-digit returns, noting continued firm pricing after a higher than normal natural disaster rate in 2011. The insurers also retained clean loan portfolios, not involved in Greece and other countries with severe financial problems. State Bank of India reversed course from 2011 declines, benefitting from positive signs of lower inflation and interest rates.

U.K. homebuilders Barratt Developments, Persimmon, Taylor Wimpey and Bellway were among top performing stocks in the consumer discretionary sector. Mortgage approvals rose to a two-year high in January and house prices increased 0.6% month over month in February. All of these companies reported good results through calendar year-end 2011 and most reported satisfactory progress in forward sales led by new sites and sales per site. In particular, Barratt Developments highlighted a 25% increase in confirmed order books for 2012 and fewer low-margin building sites. Persimmon announced a program to return GBP 1.9 billion of cash to shareholders through dividends over the period 2013-2021. Taylor Wimpey reinstated its dividend, which should alleviate concerns over its pension deficit and Bellway appeared on track to report a strong first half on higher volumes and average selling prices.

All of the global portfolio's holdings in the materials sector posted positive returns. Methanol prices increased during the fourth quarter, leading to improved cash flow and earnings at Methanex Corp. The company also ramped up its production levels, operating new plants in Canada and Egypt. Strong Chinese demand for recycled paper allowed Smurfit Kappa to increase containerboard prices.

Among other materials sector companies, Solvay and BASF benefitted from improved volumes and pricing in non-commodity chemicals. Solvay's CEO-designate put a strict focus on free cash flow generation by reducing capital expenditures and boosting management incentives as Solvay integrates Rhodia following its April 2011 acquisition. The Rhodia acquisition was aptly timed for the recovery in specialty chemicals and burgeoning demand in the developing world.

YIT OYJ, a Finnish industrial service and construction company, posted strong returns based on increased maintenance/service revenues in combination with lower interest expenses. With nearly 50% of the company dedicated to service contracts, YIT expanded its footprint to Switzerland and Germany. In addition, the company maintained a small international construction division that is a proven leader in the growing Russian housing market. Finnish crane/equipment manufacturer Konecranes recovered from margin pressure in the 2011 fourth quarter after confirming strength in its order books and instituting cost reduction measures to deal with price competition in the service sector.

In consumer staples, Greencore posted strong underlying sales growth in its convenience food division, even excluding the contribution from Uniq, which was acquired last year. The stock price was up on news of a potential takeover bid that management shunned on valuation grounds. We believe the stock is still extremely cheap with the opportunity to grow in the coming months.

Healthcare made a positive contribution, although profit-taking in Questcor dampened gains by the global portfolio's two U.S. health insurers. Insurers UnitedHealth and Wellpoint posted positive returns, as the trend toward higher deductible plans caused healthcare patients to be more economical in use of medical services. After weak 2011 performance, Teva strengthened on news that regulators were scrutinizing competitor Novartis' multiple sclerosis pill Gilenya; Teva's best selling drug is Copaxone, an injection MS treatment. The market also applauded the appointment of a new CEO at Teva with a strong track record in identifying interesting branded drugs at early stages. Transgene was in talks with potential partners for its experimental hepatitis C medicine, which showed substantial virus suppression after 12 weeks of use in combination with the current standard of care.

Encouraged by good news in the first quarter, previously risk-adverse investors returned to cyclical stocks while shunning more defensive sectors (utilities, healthcare and consumer staples). Although defensive sectors continued to be relative laggards so far in 2012, only the portfolio's telecom sector holdings experienced a negative absolute return in the quarter.

Frontier Communications reduced the telecommunications sector returns after the company cut its dividend, causing investor concern. Notwithstanding the conservative move by Frontier's management, we believe the company had already built in enough cash flow to complete the Verizon rural-lines merger integration and build out service. We recognize that rural telephone lines are a slow growth, necessity-based business; however, synergies realized from the merger may likely provide cost reductions to offset declines in rural line use.

CURRENT ASSET ALLOCATION

During the quarter, we eliminated a number of positions based on companies reaching valuation targets or on projections pointing to company-specific deterioration. Japanese shipping company Iino Kaiun repurchased the portfolio's holdings, which we sold due to a depressed outlook for shipping rates due to prolonged oversupply of vessels. We sold two European financials during the quarter, based on projections for the next three to five years. We had grown increasingly uncomfortable with the corporate management of Belgian bank and insurer KBC. Non-performing assets from the forced acquisition of HBOS plc were proving difficult headwinds for UK bank Lloyds.

We exited U.S. electronic instruments manufacturer Ametek, after a spate of strong performance reached our valuation targets. When South African-based mining company Metorex was acquired by the Jinchuan Group of China for its assets in the Democratic Republic of the Congo, our holdings in the company were sold for cash.

When negative news next permeates the market, we expect to deploy cash from recent sales to bolster current holdings that are underweight. We already started this process during the first quarter.

The following table shows the asset allocation for a representative global portfolio as of March 31, 2012.

	MSCI World Weight	Portfolio Weight	Representative Global Portfolio Energy	Utilities	Materials	Industrials	Consumer Discretionary	Consumer Staples	Health Care	Financials	Information Technology	Telecom. Services	Cash
N. America	*58.01%*	*39.21%*	*2.04%*	*2.89%*	*3.44%*	*2.45%*	*2.29%*	*2.85%*	*8.08%*	*10.22%*	*2.33%*	*2.63%*	*0.00%*
Japan	*9.08%*	*7.24%*	*0.00%*	*0.00%*	*1.62%*	*0.00%*	*0.00%*	*4.33%*	*0.00%*	*0.00%*	*0.00%*	*1.28%*	*0.00%*
Other Asia	*5.55%*	*7.60%*	*1.15%*	*0.88%*	*1.13%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*1.03%*	*3.41%*	*0.00%*	*0.00%*
Europe & Middle East	*24.78%*	*23.89%*	*1.00%*	*0.00%*	*8.19%*	*0.87%*	*4.67%*	*1.19%*	*3.04%*	*2.60%*	*1.22%*	*1.09%*	*0.00%*
Scandinavia	*2.58%*	*9.52%*	*0.00%*	*0.00%*	*0.00%*	*4.22%*	*1.35%*	*0.00%*	*0.00%*	*3.95%*	*0.00%*	*0.00%*	*0.00%*
Africa & South America	*0.00%*	*1.30%*	*1.30%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*
Cash	*0.00%*	*11.25%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*11.25%*
Portfolio Totals		100.00%	5.49%	3.77%	14.38%	7.54%	8.31%	8.37%	11.12%	17.80%	6.96%	5.01%	11.25%

Table may not cross foot due to rounding.

INVESTMENT ENVIRONMENT AND STRATEGY

Similar to trends from 2011, the first quarter of 2012 produced good news and positive equity market performance in a year expected to endure mixed economic trends. The market rebound was spurred by growth inflections in the U.S. and emerging world.

Cautious optimism must be balanced with concerns of ongoing market volatility and the European debt burden. After numerous first-quarter sales, we increased our cash position readying our global portfolio for buying opportunities predicated on negative news. In particular, we are looking at undervalued U.S. holdings, which are overpopulating our research screens, and defensive stocks that help mitigate portfolio risk.

As always, we welcome your 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 Index, gross dividends reinvested, measures the performance of a diverse range of global stock markets in the United States, Canada, Europe, Australia, New Zealand and the Far East.