POLARIS
CAPITAL MANAGEMENT, LLC

121 High Street
Boston, Massachusetts 02110
Telephone (617) 951-1365
polariscapital.com

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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**

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GLOBAL EQUITY COMPOSITE REPORT

	2013		Annualized as of March 31, 2013						
	YTD	QI	1 Yr	3 Yrs	5 Yrs	10 Yrs	15 Yrs	20 Yrs	Since 9/30/1984
Polaris Capital Global Equity Composite gross	10.06%	10.06%	17.40%	11.89%	3.61%	12.40%	8.00%	11.65%	12.64%
Polaris Capital Global Equity Composite net	9.92%	9.92%	16.77%	11.26%	3.00%	11.62%	7.16%	10.77%	11.70%
MSCI World Index, gross dividends reinvested	7.87%	7.87%	12.53%	9.08%	2.83%	9.46%	4.29%	7.34%	9.97%

Q1 2013 composite returns are preliminary pending third-party verification. Past performance is not indicative of future results.

Global markets experienced a satisfactory start for 2013, with most countries and sectors posting positive returns. Stock valuations were influenced by capital flows as many investors shifted from fixed income into equities in search of higher yields. Many private sector companies progressed nicely, with a return to profitability that has enabled the resumption of shareholder dividend payments. Merger and acquisition activity has heated up, further boosting equity yields. However, headwinds related to public sector deleveraging remain, as the ratio of total debt relative to GDP has fallen in only a few of the largest mature economies such as the U.S. and Australia, due mostly to technical rather than fundamental reasons. The Global Equity Composite (gross of fees) outperformed the benchmark at 10.06%, with numerous individual stocks posting double digit returns during the quarter. The MSCI World Index was up 7.87%.

Continued success against the benchmark was attributed to positive absolute performance in all sectors, bolstered by financials, consumer discretionary, information technology and energy. Approximately half of the global portfolio's holdings posted double-digit returns with notable contributions from Marathon Petroleum Corp, Methanex Corp., Taylor Wimpey, Svenska Handelsbanken and Hewlett Packard. Materials companies BASF, Solvay and BHP Billiton detracted from performance.

PERFORMANCE ANALYSIS

Financials were among the top contributors to the global portfolio's outperformance this quarter. While many European banks are preserving cash to meet stricter regulations, Scandinavian banks Svenska Handelsbanken and DNB are further along in meeting these requirements, proving to be among the best managed major lenders in the European Union. After a stellar fourth quarter of 2012 with profits up nearly 49% from the prior comparable period, Svenska Handelsbanken used free cash flow to fund expansion in the U.K. and the Netherlands, and to increase shareholder dividends. The market responded positively to DNB Bank's actions to increase mortgage interest rates on its products, which mitigated net interest margin compression, while simultaneously employing cost-cutting efforts to meet capital requirements.

After encountering severe regulatory scrutiny in 2012, replete with lawsuits, penalties and fines throughout the U.S. banking industry, many small- and mid-cap banks have rebounded. In mid-January, Webster Financial Corporation announced strong net income for the December 2012 quarter, highlighting 40% growth in loan originations, deposit growth and decreased non-performing assets. The company also reduced expenses in absolute terms, further bolstering Webster's capital position. The bank announced a quarterly cash dividend of $.10 on its common stock paid in February.

Ameris Bancorp posted strong fourth-quarter and year-end 2012 earnings; this news boosted the stock price during the quarter. Performance metrics included strong net income, growth in total revenue and legacy loans and decreasing non-performing assets. The bank, which offers services in Georgia, Alabama, Florida and South

Carolina, has been proactive in its cost cutting initiatives, while simultaneously repurchasing TARP preferred stock to alleviate regulatory oversight.

Consumer discretionary stocks added to the global portfolio's returns. British homebuilders Taylor Wimpey, Barratt Developments, Persimmon and Bellway posted double-digit returns, benefiting from positive quarterly earnings. However, the real stock boost came at quarter end after the U.K. government announced new stimulus lending programs.

Information technology stocks were depressed in 2012; however, many held strong free cash flows relative to market cap. Over the past year, we purchased Xerox and increased the portfolio weighting in other IT stocks including Hewlett-Packard, Infosys and Brooks Automation. This quarter, the sector rebounded with all of the above mentioned stocks posting returns in excess of 20%.

U.S. technology firm Hewlett-Packard led gains in the information technology sector after CEO Meg Whitman forecasted a better than expected second quarter 2013. H-P beat out competitor Lenovo for top market share in the global PC business in the fourth quarter, and the company's revenues are expected to return to growth in fiscal year 2014 after further cost cutting in 2013. Recent investor meetings were upbeat, with management enthused by new products coming to market. Fourth quarter results at Xerox were mixed, with increased revenues and profit margins in services offsetting declines in document technology and supplies. The company also announced a new government contract, which helped alleviate margin pressure. With steady free cash flow, Xerox is buying back 10% of shares outstanding and raised its shareholder dividend payout. Infosys reported better than expected December 2012 quarter-end results, and management maintained guidance for organic revenue growth of 5% year-over-year for fiscal year 2013, not including the Lodestone acquisition. The company made inroads in Latin America with a new business process outsourcing delivery center and in Germany with a strategic partnership for infrastructure management with automotive manufacturer BMW.

Marathon Petroleum was a top contributor to performance in the global portfolio during the quarter. The U.S. oil refiner earned $755 million in the fourth quarter, raising its refining profit margin through cheaper crude oil supplies. Gross profit margin from refining and marketing jumped to $9.17 per barrel in the fourth quarter of 2012, up from 39 cents per barrel a year earlier, on cheaper crude oil and larger spreads between crude and finished-product prices. The company finished a $2.2 billion investment to expand capacity for refining heavy crude, which the company expects to be cheaper than other oils for the foreseeable future. Marathon announced a quarterly dividend and the Board increased share repurchase authorization to a new limit of $2.65 billion.

In the health care sector, Questcor Pharmaceuticals announced positive fourth quarter 2012 results, with net income that nearly doubled from the prior period, on an increase in prescriptions of its H.P. Acthar Gel. Sales increased because more physicians are prescribing Acthar as a treatment for nephrotic syndrome, a kidney condition. Company-sponsored research activities also showed promise. Swiss pharmaceutical company Novartis had a good fourth quarter and a leadership change, as Chairman Vasella will be replaced by former Novartis executive Reinhardt, who leaves the top post at Bayer HealthCare.

Among the global portfolio's top-performing consumer staples holdings was H.J. Heinz, which was acquired at a 20% premium in a $27 billion deal (including debt) by investor Warren Buffet and U.S.-Brazilian private equity group 3G Capital. Shares of Japanese brewer Asahi Group rose after an announcement of a 4.3% share buyback worth 30 billion Yen. JM Smucker reported strong third quarter earnings on improved margins in its U.S. retail coffee business, driven by lower coffee green bean costs. On the other hand, Irish sandwich and prepared meals supplier Greencore was weak on news that traces of equine DNA had been found in its beef bolognese sauce. After a factory deep clean, Greencore implemented additional species screening procedures to avoid further contamination. Products containing beef-related ingredients make up less than 10% of total revenue.

In the materials sector, Canadian methanol producer Methanex posted double-digit gains after reporting a stable fourth quarter on healthy demand and firm pricing. The company signed a 10-year natural gas supply agreement with Chesapeake Energy, structured so the natural gas price is linked to the methanol price. German flavors and fragrances maker Symrise rose in tandem with competitor Givaudan, which reported strong profit growth, and pledged a bigger dividend.

The materials sector also had some of the global portfolio's worst performers. Belgian chemical industry group Solvay and German chemical company BASF were weak due to a general global decline in chemical consumption. Solvay reported decent fourth quarter earnings, with a substantial decrease in net debt. However, the company did not provide a 2013 profit forecast, noting challenging conditions in Europe. Solvay also conceded that it will face a profit decline, without the benefit of carbon emission allowances or inflated guar gum prices. Australian multinational mining and petroleum company BHP Billiton fell on lower metal prices. Though still bullish on copper, oil and gas, BHP Billiton has grown more bearish on a longer term view on iron ore, estimating that increased supply from Australia and Brazil won't be met by demand in China.

The telecom sector was the smallest contributor to global portfolio results backed by strength in KDDI and Verizon, but dragged down by Deutsche Telekom and Frontier Communications. Deutsche Telekom booked a net loss for 2012 due to impairment charges in the U.S. related to its MetroPCS takeover bid. This acquisition continued to meet resistance. Though subsidiary T-Mobile USA posted a net increase in subscriber numbers in the fourth quarter, this was due to lower quality wholesale and prepaid sales. The company also announced its intention to increase capital expenditures, which will necessitate lower dividend payments to shareholders. U.S. telecom operator Frontier Communications reported a weak fourth quarter on continued decline of higher margin legacy revenues and increased promotion costs to keep customers and increase broadband adoption. Portfolio management considers Frontier to be a good value based on how much free cash flow the company continues to generate; the company will be monitored to ascertain any fundamental deterioration.

CURRENT ASSET ALLOCATION

Japanese convenience food maker and cold storage facilities operator Nichirei was sold during the quarter, as it reached our valuation target. We sold the stock at a profit in a bit of fortuitous timing, as Nichirei was purchasing a large percentage of its shares in a stock buyback. Irish containerboard manufacturer Smurfit Kappa was also sold as it reached our targeted valuation levels.

Capital from sales was redeployed to existing holdings and to a number of new purchases, including Standard Chartered, Freenet and Loomis. Standard Chartered is an international banking group, earning more than 90% of its income and profits in Asia, Africa and the Middle East. Standard Chartered weathered the recent global banking crisis, retaining capital strength with low loan loss provisions and high quality portfolios. Freenet AG is a German telecommunications and web content provider/reseller with steady pricing and volumes, capturing substantial share in this mature industry. The company has been successful in developing new IT products and continues to spend more on enhancing customer relationships. Loomis AB is an international cash handling business, with a network of more than 400 operating locations in the U.S. and Western Europe. Working on behalf of banks, multi-location retailers, stores and other commercial enterprises, Loomis provides management of the physical flow of cash via armored trucks. What separates Loomis from its competitors is that it also offers a cash counting service that saves its bank customers time and money.

The following table shows the asset allocation for a representative global portfolio as of March 31, 2013.

	Portfolio Weight	Energy	Utilities	Materials	Industrials	Consumer Discretionary	Consumer Staples	Health Care	Financials	Information Technology	Telecom. Services	Cash
N. America	41.5%	2.7%	2.9%	3.1%	2.3%	1.2%	2.9%	6.7%	12.2%	5.4%	2.1%	0.0%
Japan	5.0%	0.0%	0.0%	1.1%	0.0%	0.0%	2.4%	0.0%	0.0%	0.0%	1.5%	0.0%
Other Asia	6.2%	1.1%	1.1%	1.0%	0.0%	0.0%	0.0%	0.0%	0.0%	3.0%	0.0%	0.0%
Europe & Israel	35.5%	1.0%	0.0%	8.4%	1.6%	11.6%	2.0%	3.0%	4.2%	1.2%	2.5%	0.0%
Scandinavia	10.0%	0.0%	0.0%	0.0%	4.0%	1.6%	0.0%	0.0%	4.4%	0.0%	0.0%	0.0%
Africa & South America	1.2%	1.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Cash	0.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.6%
Portfolio Totals	**100.0%**	**6.1%**	**4.0%**	**13.5%**	**8.0%**	**14.4%**	**7.3%**	**9.7%**	**20.8%**	**9.6%**	**6.0%**	**0.6%**

Table may not cross foot due to rounding.

INVESTMENT ENVIRONMENT AND STRATEGY

World markets remain mixed. We see steady progress in U.S. markets, but remain concerned about high debt levels in the economy. European markets have seen a slight recovery, mitigated by the demise of the Cyprus banking system. China's stimulus programs and recent leadership transition have helped stabilize the economy, with slight recovery in materials and industrial demand. Our current investment research points to undervalued companies in cooling emerging markets and Japan.

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 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 Index is a broad-based, unmanaged measurement of changes in stock market conditions based on the average of 500 widely held common stocks.