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

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GLOBAL EQUITY COMPOSITE COMMENTARY

	2022		Annualized as of March 31, 2022				
	YTD	QI	1 Yr	3 Yrs	5 Yrs	10 Yrs	Since 9/30/1984
Polaris Global Equity Composite gross	**-3.83%**	**-3.83%**	**1.07%**	**10.45%**	**8.88%**	**10.70%**	**11.99%**
Polaris Global Equity Composite net	**-3.95%**	**-3.95%**	**0.57%**	**9.91%**	**8.34%**	**10.17%**	**11.15%**
MSCI World Index, gross dividends reinvested	-5.04%	-5.04%	10.60%	15.53%	13.00%	11.48%	10.30%

Composite returns are preliminary. Past performance is not indicative of future results.

In the first quarter of 2022, inflation remained elevated fueled by massive spending, tight supply chains, and high commodity prices on the backdrop of geopolitical tensions. The conflict between Russia and the Ukraine intensified; sanctions against Russia, one of the largest global energy exporters, drove up energy prices worldwide, while casting doubt on global economic growth forecasts. COVID related lockdowns in China exacerbated the dour GDP outlook, as the world's second largest economy shutdown factories and shipping ports to facilitate the country's aggressive zero-COVID policy. Supply chain disruptions led to even higher inflation. To address inflation, the Federal Reserve raised the federal funds rate by a quarter percentage point in March 2022 for the first time since 2018, while signaling additional rate increases on the horizon. As would be expected of a volatile quarter, the MSCI World Index declined -5.04%, while the Polaris Global Equity Composite returned -3.83%.

Portfolio outperformance was broad-based, beating the benchmark in seven of eleven sectors, including most cyclicals like communication services, financials, industrials and real estate. The consumer discretionary sector was the only notable detractor, where the portfolio was overweight and underperformed. Geographically, the portfolio's exposure in the United Kingdom saw a precipitous decline, impacted by holdings in homebuilders and consumer retailers. After months of heady gains, the U.S. was the second largest detractor; thankfully, the Polaris portfolio was both underweight and outperformed, so the impact was minimal. The portfolio had notable gains in Canada, Ireland, Switzerland, Singapore and Japan, as well as out-of-benchmark holdings in Colombia, Chile and Puerto Rico.

At the individual stock level, six of the top 10 contributors during the quarter were commodity related including Methanex Corp., Lundin Mining, Antofagasta, Marubeni Corp., Marathon Petroleum and Williams Companies. Over the last few quarters, commodities have been strong due to demand and supply imbalances and supply chain disruptions. Now with 'higher inflation for longer' rhetoric, commodities have another leg up as in the past they have served as a hedge against inflation. Detractors were mainly consumer discretionary stocks, including Crocs Inc, Bellway PLC, Next PLC, Inchcape PLC and Taylor Wimpey PLC. The portfolio's sole holding in Russia, diamond miner Alrosa PJSC, was marked down to effectively zero as the Moscow Stock Exchange restricted non-Russian investors from selling and sanctions prohibited exchanging rubles for dollars.

FIRST QUARTER 2022 PERFORMANCE ANALYSIS

During the first quarter of 2022, oil prices raced higher on the back of growing demand and tight supply. Supply proved even more tenuous as sanctions halted Russian oil exports. As oil prices rose, Marathon Petroleum and Williams Companies gained in excess of 25%. U.S.-based oil refiner, Marathon, started up the Dickinson renewable diesel facility and continued converting the Martinez refinery into a renewable fuels facility. In March, the company announced a 50/50 joint venture with Neste, which is expected to contribute a total of $1 billion toward the Martinez project. Williams Companies, an operator of natural gas energy infrastructure, noted gains in its gathering and process operations. Sentiment on natural gas appears to be shifting as a viable alternative in light of rising consumer energy costs, and Williams is at the center of this industry in the U.S., with record volume delivery on its Transco interstate pipeline. Williams also gained after a judge ruled that Energy Transfer LP would have to pay $410 million to Williams after scuttling a $33 billion merger back in 2016.

The portfolio's communication services holdings substantially outperformed the sector benchmark, attributable to Japanese telecom KDDI Corp. and U.S. theater operator Cinemark Holdings. KDDI posted solid results, pointing to the strategic six-month turnaround in its mobile telecommunications group, which was boosted by sales and promotions. Profits were sizeable, attributable to the company's main growth drivers – life design domain and business services – as well as an uptick in the subscriber base. Cinemark had a good earnings season, surging past Wall Street estimates to post its first quarterly profit since before the pandemic. Revenues increased to $667 million, while earnings per share and free cash flow turned positive. Blockbusters like Spider-Man: No Way Home boosted results, while Cinemark has also sought to diversify its offerings, teaming up with ESPN to bring college football playoffs to the big screen.

In health care, AbbVie Inc. and Jazz Pharmaceuticals were up more than 20% for the quarter as both announced positive drug pipeline developments. AbbVie reported upbeat full year guidance, as its immunology and hematology drug treatments gained traction while its ulcerative colitis drug, Rinvoq, was approved by the U.S. Food and Drug Administration (FDA). New drug sales are expected to absorb lost revenue when AbbVie's Humira goes off patent in 2023. Jazz Pharmaceuticals recouped prior quarter losses after posting strong earnings, pointing to its five-year plan of strategic product launches and market share gains from Zywav. Two U.S. health insurers, Anthem Inc. and UnitedHealth Group, posted single digit gains for the quarter. Conversely, United Therapeutics Corp. declined after receiving an FDA letter requesting additional information regarding the pulmonary safety of Tyvaso.

Bancolombia SA was the single best performer in the financial sector, up more than 35% for the quarter after announcing robust earnings, with non-performing loans improving, net interest margin expanding, and digital banking service NEQUI reaching 10 million users. Colombian billionaire Jaime Gilinski made another attempt to take over Colombia's most influential group GEA, including Grupo Nutresa and Grupo Sura, which has a 46% stake in Bancolombia. The market reacted positively on this development, as Gilinski has a track record of unlocking value and efficiencies in Latin American banks. Singapore-based United Overseas Bank (UOB) made its largest acquisition in 16 years, agreeing to buy the consumer assets of Citigroup in Indonesia, Malaysia, Thailand and Vietnam. The deal will double UOB's client base in these countries, which the company dubbed "a very good strategic fit". Singapore is quickly becoming a financial hub in Asia, usurping market share from Hong Kong, which has been burdened by restrictive laws, politics and COVID-19 outbreaks.

In contrast, Capital One and JPMorgan Chase both dropped during the quarter. With a portfolio steeped in consumer credit cards and auto financing, Capital One faces inflation concerns and a stingier consumer credit cycle as stimulus checks and deferral programs dry up. On an earnings call, JPMorgan Chase addressed cost pressures, explaining that cost base expenses will ramp up materially in the next year. This is expected to be endemic of the industry, not just JPMorgan Chase, but investors penalized the company nevertheless. JP Morgan Chase also got caught in the middle of a short squeeze as the largest counterparty to nickel trades by a Chinese tycoon; however, a deal to backstop the short position is nearing finalization with JPMorgan Chase assured security over a wide range of assets held by Tsingshan Group Holding Co., the world's top nickel and stainless-steel producer.

The portfolio outperformed in the industrials sector, led by Marubeni Corp., General Dynamics and Science Applications International. Marubeni, the Japanese trading company, raised March 2022 full year guidance on robust operations across agriculture, energy, metals and mining businesses. The company also increased dividends and announced a share buyback in 2022. The Russia-Ukraine conflict spurred on European rearmament considerations, boosting defense stocks industry-wide including General Dynamics. Science Applications Intl., the defense IT cybersecurity business, was up 10% as focus returned to cyber warfare over fears of Russian intrusion. Offsetting some of the industrial sector gains were SKF AB and Weichai Power. SKF, the Swedish bearing and seal manufacturer, lost ground after a competitor reported weaker results on waning auto demand and supply chain issues. Additionally, SKF paused exports to Russia and also stopped production at its Russian factory, which comprises 2% of total sales.

Four U.K. companies dragged down the consumer discretionary sector, starting with homebuilders Bellway and Taylor Wimpey. Despite reporting positive operations and outlook, both stocks have been hit hard on the ongoing cost burdens and uncertainties around cladding and remediating fire safety defects in U.K. buildings. Next PLC, a British clothing and home goods retailer, was weak as the general industry remained under pressure on higher markdowns and inflation. Inchcape, the U.K. multinational automotive distributor, announced impressive 2021 annual results, highlighting consumer demand and pricing power on vehicle supply shortages. Revenues rose, while operating profits nearly doubled year-on-year. Yet, the stock price declined more than 25%, with a market wary of ongoing demand metrics given economic uncertainty. Inchcape also committed to exiting its Russian retail business (approximately 5% of profits), which further weighed down the stock. The largest sector decliner was Crocs Inc., the U.S.-based casual footwear company. Crocs reported exceptional annual results with revenues up 70% and margins at 30%. After record gains in 2021, the company guided for lower margins in 2022 due to higher costs especially in logistics. Investors also remained skeptical about the company raising debt to buy premium-priced footwear competitor, Hey Dude.

Inflation and ensuing higher prices boosted commodity stocks like Methanex, Lundin Mining and Antofagasta, yet the same prices also squeezed margins at chemical/packaging companies processing those raw materials. As a result, Berry Global Group, BASF SE, Solvay SA and a few other stocks suffered double-digit declines as these companies have yet to raise downstream prices enough to offset higher raw material prices. On a granular level, Methanex reported its strongest operational and financial performance in its history. The company also restarted plant construction of Geismar 3, restarted Chile IV and completed the Geismar 2 project. Shares of copper producer, Lundin, rose as favorable copper prices set many all-time financial records in 2021. Lundin also expanded or completed a number of its mining projects, and is on track to close its acquisition of Josemaria Resources. Chilean copper miner, Antofagasta, bounced back from recent lows, releasing stellar 2021 results backed by an almost 50% increase in realized copper prices. The biggest materials sector detractor was Alrosa PJSC, the Russian diamond miner. Alrosa stopped trading along with other Russian stocks as the Moscow Stock Exchange closed for part of February and March. At this time, the investment team has marked down the position to effectively zero, and will likely divest Alrosa when restrictions are lifted.

During the quarter, Sumitomo Mitsui Trust Holding, Andritz AG and Laboratory Corp. of America were sold to make room for new investments with better upside potential. Laboratory Corp. was sold at a profit, as its valuation advanced beyond our sell limit; we doubt 2022 cash flows can exceed those of 2021, which benefitted from unprecedented COVID-related testing. Cash was reallocated to new buys in Nomad Foods, OpenText Corp., SLM Corp., NOV Inc., and Sally Beauty Holdings Inc. Nomad Foods is Europe's largest branded frozen food manufacturer, producing healthy margins and good return on equity. Canada's OpenText, a provider of enterprise information management software and solutions, commands 30-40% market share on its service offerings and has grown revenue via organic growth and acquisitions. Private education loan provider SLM Corp. (previously Sallie Mae) has proven to be one of the least expensive financial companies on the portfolio's research screens with a dominant market share in a very stable market. NOV Inc., an oil services equipment company that provides equipment and rigs for oil exploration and production, is likely to be a late-stage beneficiary of the current oil industry environment. Sally Beauty, the U.S. based retailer and distributor of professional beauty supplies, captured significant market share in both the wholesale and retail categories, with substantial profits in stable beauty lines like hair color, hair care and nail/salon supplies. These more defensive investments may provide downside protection in the event of more economic volatility if the Russian-Ukraine conflict and higher interest rates weigh on economic activity.

The table reflects sector/regional allocation for a representative global equity portfolio as of March 31, 2022.

	MSCI World Weight	Portfolio Weight	Energy	Utilities	Materials	Industrials	Consumer Discretionary	Consumer Staples	Health Care	Financials	Information Technology	Comm. Services	Real Estate	Cash
N. America	*72.6%*	45.6%	3.8%	0.9%	4.4%	4.6%	4.1%	2.2%	7.0%	11.6%	4.6%	2.4%	0.0%	0.0%
Japan	*6.1%*	8.3%	0.0%	0.0%	0.6%	1.6%	2.1%	0.8%	0.0%	0.0%	1.1%	1.0%	1.0%	0.0%
Other Asia	*3.5%*	9.5%	0.0%	0.0%	0.0%	0.8%	2.9%	0.0%	0.0%	1.9%	3.0%	1.0%	0.0%	0.0%
Europe	*15.6%*	24.4%	0.0%	0.0%	5.4%	2.8%	4.7%	1.3%	2.8%	4.1%	0.0%	3.3%	0.0%	0.0%
Scandinavia	*2.2%*	7.0%	0.0%	0.0%	1.4%	1.7%	0.3%	0.0%	0.0%	3.7%	0.0%	0.0%	0.0%	0.0%
Africa & South America	*0.0%*	2.3%	0.0%	0.0%	1.1%	0.0%	0.0%	0.0%	0.0%	1.2%	0.0%	0.0%	0.0%	0.0%
Cash	*0.0%*	3.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	3.0%
Portfolio Totals		100.0%	3.8%	0.9%	12.7%	11.5%	14.1%	4.3%	9.8%	22.6%	8.7%	7.6%	1.0%	3.0%
MSCI World Weight	*100.0%*		*4.3%*	*2.9%*	*4.5%*	*10.0%*	*11.6%*	*7.0%*	*12.9%*	*13.7%*	*22.5%*	*7.9%*	*2.8%*	*0.0%*

Table may not cross foot due to rounding.

INVESTMENT ENVIRONMENT AND STRATEGY

Faced with geopolitical upheaval, a protracted Russia-Ukraine conflict and circulating COVID-19 strains, worldwide economic volatility is inevitable. Supply chains and logistics remain stressed, resulting in higher prices across the board, from consumer goods and food supplies to commodities. In this context, we are constantly assessing the portfolio, seeking to ensure that our holdings not only weather the current climate, but thrive in an inflationary period accommodative to value stocks. We have already discussed the beneficiaries, ranging from raw materials suppliers like Lundin and Methanex to U.S.-based oil refiners and energy providers. Others may prove to be late-cycle winners, as companies like Mondi, HeidelbergCement, Michelin and Vinci begin to raise prices to recover raw material cost increases; these companies should generate better margins and stock prices going forward. We would be remiss in not mentioning financials here. Higher inflation will drive up interest rates, which should prove nimble enough to help banks' net interest margins and net income. Yet higher interest rates may have a negative impact on non-performing loans and mortgage fee income as the refinancing rush comes to a halt. Banks will need to deploy their assets into higher yielding loans to offset lower income on mortgage business; we have already seen this strategy enacted throughout the industry.

As evidenced by our portfolio turnover this quarter, we are actively seeking attractively-priced stocks with good upside potential and lesser downside risk. We are considering the risks of a big slowdown in Europe, continuing to diversify the portfolio geographically, while doing the same at the sector level. We believe that our fundamental bottom-up research, based on conservative investment assumptions and risk awareness, will continue to produce a well-rounded portfolio that has the potential to perform admirably no matter what economic turmoil we encounter.

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