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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**

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Information presented is supplemental to the annual disclosure presentation. For composite performance and a fully compliant presentation, go to: www.polariscapital.com/

	2009			Annualized as of June 30, 2009				
	YTD	QII	QI	1 Yr	3 Yrs	5 Yrs	10 Yrs	15 Yrs
Polaris Capital Global Equity Composite	13.38%	28.88%	-12.02%	-27.22%	-11.11%	0.26%	5.79%	10.16%
Asset Class: Equities								
Global Equities								
MSCI World Index, gross dividends reinvested	6.79%	21.05%	-11.78%	-29.01%	-7.48%	0.57%	-0.38%	5.19%
Lipper Global Mutual Funds	9.52%	20.67%	-9.32%	-28.09%	-7.26%	0.28%	0.52%	5.72%
Domestic Equities								
S&P 500	3.20%	15.99%	-11.03%	-26.15%	-8.23%	-2.26%	-2.24%	6.91%
International								
MSCI EAFE Index, gross dividends reinvested	8.42%	25.85%	-13.85%	-30.96%	-7.51%	2.79%	1.56%	3.85%
Lipper International Mutual Funds	8.81%	24.54%	-12.68%	-31.97%	-7.93%	2.14%	1.66%	4.37%
Asset Class: Debt, Inflation								
U.S. Consumer Price Inflation	3.03%	1.83%	1.17%	-1.95%	2.04%	2.63%	2.63%	2.51%
Return on U.S. Treasury Bills held for 30 days	0.06%	0.03%	0.03%	0.42%	2.79%	2.87%	2.89%	3.52%
Lehman Aggregate Gov't/Corporate Bond Index	1.90%	1.78%	0.12%	6.05%	6.43%	5.01%	5.98%	6.59%

Past performance is not indicative of future resulsts. Returns for the Polaris Capital Global Composite are gross of management fees.

Performance for the second quarter was quite satisfactory on an absolute and relative basis. We were especially pleased by the performance of the non-U.S. investments in materials, industrials and consumer discretionary sectors. Nevertheless, the investment management team will not be satisfied with overall performance until the 2007-2008 crisis returns have been recovered.

The second quarter's performance may reflect more rational market dynamics, a drastic contrast to erratic buying, selling and hysterical investor behavior of last year. Indeed, 2008 will go down in history as one of the world's best real life examples of behavioral finance, the study of how human psychology and biochemistry affect the ability of investors to make sound decisions when experiencing the emotions of greed and fear.

SECOND QUARTER 2009 PERFORMANCE ANALYSIS

During the second quarter, the performances of three sectors that were hard hit in 2008; industrials, consumer discretionary and materials, accounted for nearly two-thirds of this quarter's satisfactory performance. Additionally, firming energy prices stood behind strong performance of multiple energy holdings ranging from Thai Oil to Sasol Ltd. Even the defensive sectors of the portfolio (utilities, telecommunication and healthcare) that preserved capital last year contributed this quarter, but to a lesser extent than the more investor-favored cyclical stocks.

In 2008, many investors indiscriminately sold companies, depressing company valuations regardless of fundamentals. During the crisis in the third and fourth quarters of 2008, Polaris stress tested the financial models of the portfolio's companies to determine if the panic selling could be justified based on any potential declines in the fundamentals of the companies. The stress tests resulted in a limited number of complete sales coupled with portfolio adjustments in late 2008 and early 2009. Importantly, our decision to retain companies with depressed valuations based on confidence in the business models, despite extremely poor stock price performance in 2008, formed the basis for outperformance in the second quarter.

Many of the portfolio's holdings have proven the validity of their business models, gaining strength in the second quarter as a result of cash generation and managing debt levels even in a difficult operating environment exacerbated by a severe credit crisis. Companies have rapidly restructured, suggesting that even a modest sales rebound will create a very positive effect on operating leverage, and consequently, cash flow.

Stimulus monies in the U.S. and China had a positive effect on materials and industrials, as infrastructure and construction projects boosted business and tightened the supply-demand balance in certain materials such as copper, iron ore, coal and methanol. Polaris favors the lowest cost materials producers, which benefit when prices decline causing high cost producers to shut production. Some of the portfolio's best performances this quarter included Methanex (one of the world's lowest cost methanol producers), BHP Billiton (iron ore, coal, and copper) and Metorex (copper). In addition to China's raw materials purchases, other sources of stimulus appeared in the economy, ranging from lower energy costs, higher demand for construction services and materials, and lower interest rates – all of which served to benefit the portfolio's materials and industrials holdings.

Another materials holding that produced positive results was CRH, one of the largest providers of asphalt in the U.S., which is profiting from the many road paving and resurfacing projects under U.S. infrastructure spending. Smurfit Kappa was another strong performer during the quarter, as the Irish producer of cardboard boxes renegotiated its debt covenants and benefitted from substantial declines in their suppliers' prices.

The portfolio's industrial holdings outperformed the benchmark's industrial sector, and benefitted further from a larger overweight in this sector. The lead portfolio performer in the industrial sector was Mac-Gray Corporation, which rebounded after the company's annual meeting and the conclusion of a proxy contest.

Within the diverse consumer discretionary sector, U.K. homebuilders produced positive results as low interest rates resulted in more stable home prices and volumes. Home sales and prices held up, and volumes increased – a small market inflection with a positive impact on homebuilders. In addition, many of these companies have reinforced their financial strength to prepare for the resumption of the growth likely to occur in the U.K. housing sector. The investment team is aware that further financial restructuring may be needed among these companies although this is more than reflected in valuations.

In the second quarter, the portfolio's financials underperformed versus the sector benchmark, but still posted positive returns. European financials contributed significantly, with the Bank of Ireland as the leading performer. U.S. bank holdings performed well in the second quarter, but on a year-to-date basis, are primarily responsible for inhibiting even better six-month results. Government policy has created great uncertainty about the split of future bank earnings between government and shareholders. While this issue is most relevant to mega-sized financial institutions, all bank stock valuations have suffered. Further dampening valuations, smaller community banks, which did not engage in the lending and security market practices that caused financial market upheaval over the past 18 months, have been punished as badly as the mismanaged financial companies. Rising unemployment may have a further negative impact on the short-term profitability of the portfolio's U.S. bank holdings. States such as Georgia and Florida may suffer more than other areas like southern Ohio. Nevertheless, communications with banks' management offer encouragement, as the problem loans and losses in community banks are readily identifiable and contained, making workouts and recoveries manageable. In some cases, first quarter results already showed moderation in problem assets; the second quarter continued this positive trend for several banks.

U.S. bank valuations remain as depressed as they have been since the late 1980s. The investment team remains very focused on this sector and seeks to benefit from the eventual recovery of bank valuations while preserving value in the event conditions worsen for specific banks. Polaris' research indicates there may be a favorable risk/reward tradeoff on a stock-specific basis. For this reason, we continue to hold some U.S. banks that underperformed in 2008 as we see the potential for a recovery in the future.

Although the portfolios achieved positive returns across all sectors, comparisons to sector benchmarks show a few areas of underperformance. Information technology, up nearly 18%, underperformed versus the benchmark; Spanish and U.S. telecom companies garnered a 5% return (versus 10% for the sector) and utilities were up 8% versus the sector benchmark of 14%.

SECOND QUARTER 2009 ASSET ALLOCATION

Shares of two Spanish banks were liquidated as a pre-emptive action to preserve capital in light of concerns about worsening economic conditions in Spain, Mexico and Latin America. During the quarter, initial investments were made in an Indian information technology company (Infosys), a European pharmaceutical company (Novartis), a U.S. food processor (JM Smucker) and a U.S. medical testing manufacturer (Quest Diagnostics).

Infosys Technologies is an Indian company that is a well known leader in global information technology solutions for its clients. Essentially a provider of outsourced IT services to hundreds of companies both large and small throughout the world, Infosys' IT services deal with the entire range of issues that confront all large companies: conception, design, development, engineering, maintenance, integration and operation. The company has enjoyed a very fast rate of earnings and cash flow growth, but the worldwide economic crisis has temporarily slowed revenue and earnings. The company has significant exposure to the financial sector, a detriment that is being corrected with efforts to develop a more diversified customer base. An accompanying stock price decline has provided an excellent entry point to invest in a company that is very likely to benefit from the resumption of growth that is expected in 2010 and beyond.

Novartis has a very large and important franchise in cardiovascular and oncology drugs. Despite the threat of generics to some of its branded drugs, the company has a promising pipeline. In addition, its Sandoz unit addresses the generic drug market including the high potential “biosimilars” market. The company has a "vision" to expand its eye care segment through an investment in Alcon, a leader in ophthalmology, while the consumer health segment sells OTC drugs and offers veterinary applications. A high percentage of recent sales are from drugs developed in the past two years, and the influence of the faster growing emerging markets is having a favorable influence on results. Selling at an unusually low price to maintenance cash flow, the addition of Novartis adds substantially to the diversification of the portfolio.

Smucker is a United States-based company and is the leading maker of jams, jellies and peanut butter in the US. The company also produces cooking oils, ice cream toppings and juices. Smucker recently acquired Folgers Coffee, an acquisition that will likely result in margin improvement from cost saves; furthermore the acquisition offers better diversification. The stock declined after accounting policies lead to uncertainty about goodwill charges around the same time as a totally unrelated peanut supplier faced a major recall. The company’s brands have a strong competitive position and should withstand the threat from private labels’ appeal to price sensitive consumers in the current recessionary environment. The company’s current stock price offers a high maintenance cash flow yield from a company with excellent financial strength, consistent fundamental progress and very strong brand names. We encourage shareholders to buy their products.

Quest Diagnostics is a US based company that dominates the U.S. business in medical testing, activities that grow with an aging population. Their services are offered to physicians, their associated hospitals and patients through more than 2000 service centers and 150 smaller rapid response labs. Tests include routine blood analysis and biopsies, and an increasing number of specialized tests for other threatening illnesses. This genomic and esoteric testing has been recession resistant because these tests often are life saving and enable physicians to prevent the development of disease even before symptoms emerge. A growing number of tests can ultimately reduce the cost of healthcare in the US by preventing disease. Prevention is a key tenet in the Obama Administration’s efforts to reform healthcare delivery. The addition of Quest to the portfolio provides participation in a growing company that also adds diversification at a very attractive price.

By executing such buys and sells, we were able to improve the valuation profile of the portfolio and reduce exposure in some sectors that continue to show weakness under current market conditions. New investments provide further diversification relative to the portfolio’s weightings in materials, industrials and construction-related sectors. Preservation of capital remains a top priority in the current strategy. The portfolio remained underweight in the U.S. and overweight in Scandinavian countries.

The following table shows the asset allocation of a representative portfolio at June 30, 2009.

	Market Weighting	Portfolio Weighting	Energy	Utilities	Materials	Industrials	Consumer Discretionary	Consumer Staples	Health Care	Financials	Information Technology	Telecom. Services	Other	Cash
N. America	*53.23%*	36.35%	1.45%	2.53%	4.45%	10.10%	0.00%	1.55%	4.40%	10.76%	0.00%	1.11%	0.00%	0.00
Japan	*11.28%*	9.46%	0.00%	1.88%	0.72%	2.42%	0.65%	2.60%	0.00%	0.00%	0.00%	1.18%	0.00%	0.00
Other Asia	*5.27%*	6.32%	1.68%	0.00%	1.88%	0.00%	0.00%	0.00%	0.00%	0.00%	1.69%	1.06%	0.00%	0.00
Europe	*27.75%*	33.82%	2.21%	0.00%	7.99%	5.78%	10.69%	2.30%	1.26%	3.58%	0.00%	0.00%	0.00%	0.00
Scandinavia	*2.46%*	11.86%	0.00%	0.00%	0.00%	7.54%	1.97%	0.00%	0.00%	2.35%	0.00%	0.00%	0.00%	0.00
Africa & S. America	*0.00%*	2.19%	1.72%	0.00%	0.47%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00
Cash	*0.00%*	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00
Industry Totals		100.00%	7.07%	4.42%	15.51%	25.84%	13.32%	6.45%	5.66%	16.69%	1.69%	3.35%	0.00%	0.00
Market Weighting	*100.00%*		*11.43%*	*5.01%*	*6.81%*	*10.30%*	*9.29%*	*10.46%*	*10.67%*	*19.68%*	*11.71%*	*4.65%*	*0.00%*	*0.00%*

Information presented above is supplemental to the annual disclosure presentation.

INVESTMENT ENVIRONMENT AND STRATEGY

Polaris’ investment strategy, which has been honed over the last 25 years, has outperformed its benchmark over the long term, but the investment team is not willing to rest on its laurels. The economy and more specifically unemployment may still worsen through the middle of next year, and a conservative outlook must be maintained. However, investors need to “fast forward” their projections by 12 months. Historically, the market has been a predictor of economic recovery, and usually begins performing well 6-12 months in advance of the economic bottom.

Cautiously optimistic that the markets are forecasting recovery, the investment team is mindful of the potential asset bubble created by artificially low interest rates promulgated by governments worldwide. There is little empirical evidence that massive government borrowing creates consumer price inflation; rather, changes in demand and supply of goods and services typically create price adjustments. However, there is considerable evidence that artificially low capital costs below inflation have created, and likely will create, asset price inflation. The portfolio's holdings in real assets (such as materials and industrials) should help investors benefit from asset price inflation and any potential devaluation of the U.S. dollar. The Polaris strategy does not invest based on variables such as inflation that are nearly impossible to forecast accurately. Rather, the firm's investment discipline is to search for companies that may generate strong and stable free cash flows, easily manage debt service and provide shareholders with sustainable returns in the form of cash payments, stock buybacks or growth in the value of the firm. In various economic scenarios, we believe the portfolio is well positioned, buying undervalued "tangible" assets (such as materials and industrials) and selling companies that reach valuation targets. When the markets normalize, we believe the portfolio should be well situated with admirably performing companies.

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 measures 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. The Lipper averages are compiled by Lipper, Inc., an independent mutual fund research and rating service. Each Lipper average represents an index of quarterly results for all global or international funds as published in the Lipper Special Quarterly Summary Report. The Lipper averages are not investment products available for purchase.