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

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GLOBAL EQUITY COMPOSITE REPORT

	2011			Annualized as of June 30, 2011						
	YTD	QII	QI	1 Yr	3 Yrs	5 Yrs	10 Yrs	15 Yrs	20 Yrs	Since 9/30/1984
Polaris Capital Global Equity Composite gross	6.76%	0.63%	6.10%	34.41%	5.22%	2.37%	10.53%	10.65%	12.26%	12.94%
Polaris Capital Global Equity Composite net	6.46%	0.49%	5.95%	33.63%	4.58%	1.72%	9.68%	9.73%	11.34%	11.97%
MSCI World Index, gross dividends reinvested	5.62%	0.68%	4.91%	31.19%	1.04%	2.85%	4.52%	5.85%	7.48%	10.15%

Q2 2011 composite returns are preliminary pending the third-party audit. Past performance is not indicative of future results.

The Polaris Global Equity Composite slightly lagged the MSCI World Index benchmark for the quarter ended June 30, 2011. On a year-to-date basis, the Composite continued to outperform the benchmark by more than 100 basis points, achieving returns of 6.76% versus 5.62% for the Index.

There were a number of prevalent themes this quarter:

- As forecast in prior commentaries, portfolio management expected more normalized volatility with up and down months and quarters. The second quarter met these expectations with April posting positive performance while May and June remained in negative territory. Such market fluctuation gave management the opportunity to sell fairly valued stocks on market strength, hold and eventually redeploy cash to buy bargain stocks with good fundamentals on market declines.
- Portfolio management's strategy to lower portfolio risk helped in the quarter. Telecom, utilities, healthcare and consumer staples continued to look appealing, and new purchases were made in some of these sectors in May and June.
- Catalyst activity returned. In a typical year, the global portfolios may see 5-10% of holdings involved in takeovers. However, merger activity was subdued from 2008-2009 due to the credit crisis. Deal activity is returning in 2011, as evidenced by two portfolio companies that are subject to bids: Demag Cranes AG, Tognum AG and Metorex Ltd. Our investment process attempts to identify companies with strong free cash flow and low levels of debt, which in turn, are often attractive takeover candidates.

PERFORMANCE ANALYSIS

The materials sector was the top contributor to global portfolio returns in the quarter, led by Solvay SA and BASF SE. After selling its healthcare division in 2010, Solvay deployed available cash to acquisitions, recently announcing a friendly cash offer for French specialty chemical maker Rhodia. If approved by anti-trust authorities in the European Union and U.S., this acquisition may result in a combined business with 40% exposure to emerging markets, while reducing cyclicality and capitalizing on synergies.

BASF recovered from its mid-March share price correction on expectations that it would be a net beneficiary of higher oil and gas prices. Emerging economy demand for chemicals also fueled the company's strength.

Metorex, Ltd., a South African producer of copper and cobalt, posted strong gains as the object of a bidding war between Brazil's Vale, the world's largest iron ore producer, and China's biggest nickel producer, Jinchuan Group. Management visited Metorex Ruashi mine in The Democratic Republic of Congo in Africa in June, which allowed us to incorporate on-the-ground, first hand data into determining an appropriate sale valuation. This visit also expanded our understanding of mines and raw materials sources in this strategically important country and on the continent.

Three defensive sectors contributed to performance: healthcare, consumer staples and telecommunication services. Posting robust returns, Questcor Pharmaceuticals, Inc. led strong healthcare sector returns. The growth can be attributed mainly to increased Acthar prescriptions for multiple sclerosis and infantile spasms, as well as early adoption for nephrotic syndrome. The company expanded its sales force to meet the growing demand for

Acthar; we believe that the sales force will become increasing productive in the months ahead. However, current profits are held back by sales force expansion that increased expenses in advance of revenue production.

U.S. Health insurers UnitedHealth Group, Inc. and WellPoint, Inc. were also up strongly as was Switzerland based Novartis AG. The stock was up strongly after it gained FDA approval for Afinitor (everolimus) as the first new treatment in thirty years for advanced pancreatic neuroendocrine tumors.

In consumer staples, Asahi Breweries, Ltd. shrugged off concerns of the dampening effects on consumption after the March tsunami in Japan, reporting a turnaround in operating profit for the first quarter ended March 2011. Higher average utilization ratios during the quarter at domestic breweries and improved profitability at the overseas businesses (namely China) helped boost results. H.J. Heinz Co. increased its long term guidance range on robust emerging markets growth. The J.M. Smucker Co. made an acquisition of Miami-based Rowland Coffee Roasters.

Four of five holdings in the telecommunications sector posted positive returns. Japanese telecom operator KDDI Corp. was the top contributor based on expectations of improved cash flows now that its fixed line services have turned profitable, smart phone penetration is rising and capital expenditure is stabilizing.

Holdings in the information technology and financial sectors were detractors to better performance. Brooks Automation, Inc. retreated after its strong run since last autumn, based on concerns that semiconductor fundamentals are slowing as supply accelerates. However, the company is trying to reduce the cyclicality of its semiconductor capital expenditure-related business by increasing exposure to life sciences. After a correction in the second quarter, Brooks has a $5 per share price in cash with the stock trading at just over $10. Wincor Nixdorf AG, an automated teller machine manufacturer, faced difficult year-on-year comparisons and execution delays for a new product platform. Strong emerging market sales were not yet large enough to offset slower North American and European sales.

A stellar prior performer, Southwest Bancorp, Inc. retracted substantially in the June quarter after reporting a $9.1 million loan loss provision in the March 2011 quarter, an increase of nearly $2 million from the December 2010 quarter. The bank also has a substantial concentration in commercial real estate construction, which further impeded results. Despite these headwinds to earnings, the bank was still profitable in the quarter, and remains well positioned due to its loan portfolio in the healthcare industry and to its focus in the recession-resistant region of Oklahoma, Kansas and Texas .

Ameris Bancorp was another detractor to performance, although it reported a second consecutive quarter (March 2011 quarter) of profitability, a 14% decline in non-accrual loans from the prior quarter and a substantial decrease in net charge-offs. Ameris' management also offered an upbeat message to investors (success of strategic decisions led to performance, potentially positive impact of earnings moving forward and expectations for a national recovery). However, the market did not respond well to the bank's increase in authorized shares of common stock from 30 million to 100 million.

State Bank of India declined mainly due to the one-off impact of new regulations requiring counter-cyclical provisioning and a higher provisioning ratio for non-performing loans. UK-based Lloyds TSB Group PLC was another poor performer due to the European sovereign debt crisis and the expectations that European banks will require higher capital standards.

CURRENT ASSET ALLOCATION

Due to market strength in the first three months of 2011, the global portfolios sold five stocks based on valuation, raising cash in anticipation of deploying it for bargain stocks in down markets. This strategy was executed in the second quarter, as management bought positions in five new companies that offered inexpensive valuations, stable cash flow and good management execution.

German company Deutsche Telekom stands to benefit from the potential sale of its T-Mobile assets to AT&T. In the event the agreed deal does not pass the required regulatory hurdles, Deutsche Telekom will receive a sizeable breakup fee from AT&T.

Teva Pharmaceutical Industries is a global leader in the development and manufacturing of generic drugs. The Israeli company has a long history of successful M&A transactions, and is currently engaged in the final stages of acquiring U.S. biopharmaceutical firm Cephalon Inc. Negative sentiment over the prospect of a generic threat to Teva’s branded Copaxone, the leading treatment for multiple sclerosis, provided an opportunity for us to build a position.

U.S. information technology company Hewlett Packard was attractively valued due to recent industry weakness and a change in the management team. On a long term outlook, we believe the company will be a leading player in information technology on the strength of its high margin enterprise and imaging/printing businesses.

Guangdong Investment Ltd is a Chinese water utility supplying Hong Kong, Shenzhen and Dongguan. The company also has a significant profit contribution from commercial real estate investments in office buildings and shopping malls. Toll roads, bridges and electric power units round out the company's holdings.

Maurel et Prom of France has a strong track record in oil and gas exploration and development, with a presence in Africa and Latin America.

No sells were executed this quarter.

The following table shows the asset allocation for a representative global portfolio as of June 30, 2011.

Representative Global Portfolio Asset Allocation

		Representative Global Portfolio											
	MSCI World Weight	Portfolio Weighting	Energy	Utilities	Materials	Industrials	Consumer Discretionary	Consumer Staples	Health Care	Financials	Information Technology	Telecom. Services	Cash
N. America	*54.78%*	38.32%	1.98%	2.74%	3.23%	6.13%	1.39%	2.70%	6.05%	9.07%	2.65%	2.38%	0.00%
Japan	*9.06%*	9.91%	0.00%	1.01%	1.44%	2.18%	0.00%	3.90%	0.00%	0.00%	0.00%	1.38%	0.00%
Other Asia	*5.96%*	7.11%	1.16%	0.45%	1.42%	0.00%	0.00%	0.00%	0.00%	1.35%	1.92%	0.80%	0.00%
Europe	*27.13%*	27.75%	1.38%	0.00%	9.50%	4.41%	4.03%	0.72%	1.64%	3.41%	1.25%	1.40%	0.00%
Scandinavia	*2.75%*	10.56%	0.00%	0.00%	0.00%	5.14%	1.40%	0.00%	0.00%	4.02%	0.00%	0.00%	0.00%
Africa & Middle East	*0.32%*	3.43%	1.39%	0.00%	0.78%	0.00%	0.00%	0.00%	1.26%	0.00%	0.00%	0.00%	0.00%
Cash	*0.00%*	2.93%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	2.93%
Portfolio Totals		100.00%	5.90%	4.21%	16.36%	17.86%	6.82%	7.32%	8.96%	17.85%	5.83%	5.96%	2.93%

Table may not cross foot due to rounding.

INVESTMENT ENVIRONMENT AND STRATEGY

Outlook remains consistent: we expect the global macro-economic recovery to be slow, steady and mixed. Headwinds in both developed (U.S. and European debt and overstretched consumption) and emerging economies (China real estate bubble) signal muted growth. Conversely, we are witnessing pockets of growth, from increased worldwide merger & acquisition activity to rebounds in U.S. residential construction starts and manufacturing.

Systemic volatility has created a wealth of fundamentally attractive companies at inexpensive valuations -- nearly quadruple the number of companies typically identified in our proprietary screens and research. We are very optimistic about the values evident in our investment analysis, and we continue to conduct extensive on-the-ground analysis of stock candidates.

While volatility bodes well for our pure value investment process, we are keenly aware of the need to minimize downside risk. We are taking advantage of this environment by adding undervalued companies in defensive sectors in an effort to maintain and grow the value of our investments in the years to come.

As always, we welcome questions, comments and referrals.

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.