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GLOBAL EQUITY COMPOSITE REPORT

	2012		Annualized as of June 30, 2012							
	YTD	QII	QI	1 Yr	3 Yrs	5 Yrs	10 Yrs	15 Yrs	20 Yrs	Since 9/30/1984
<i>Polaris Capital Global Equity Composite gross</i>	9.36%	-3.73%	13.60%	-5.81%	14.67%	-3.11%	8.35%	7.69%	10.75%	12.20%
<i>Polaris Capital Global Equity Composite net</i>	9.06%	-3.87%	13.44%	-6.36%	14.00%	-3.70%	7.56%	6.82%	9.86%	11.25%
Global Equity Benchmarks										
MSCI World Index, gross dividends reinvested	6.29%	-4.86%	11.72%	-4.42%	11.58%	-2.40%	5.74%	4.09%	6.98%	9.59%

Q2 2012 composite returns are preliminary pending the third-party review. Past performance is not indicative of future results.

In the second quarter, concerns resurfaced over Europe's sovereign debt problems, a possible Greek exit from the Euro zone and slowing economic growth in China. Fiscal restraint in Spain, Italy and Portugal overburdened respective economies, as they struggled with higher interest rates on larger debt burdens. Negative returns in April and May were partially offset by a global market rally in June benefitting from developments in the Euro zone, and the U.S. Federal Reserve's extension of its bond-buying program, "Operation Twist", to year end. In this volatile macro-economic environment, the global composite gross of fees was down -3.73%, besting the MSCI World Index ("Index") benchmark, which posted -4.86%.

Beating the benchmark can be partially attributed to stock selection, with portfolio company holdings that continued to demonstrate good fundamentals, upbeat earnings announcements, healthy cash flows and moderate growth projections. On a country basis, U.S. based companies contributed the most to performance this quarter, as the global composite benefitted from an increased weighting in the country.

PERFORMANCE ANALYSIS

Questcor Pharmaceuticals was among the top contributors to global portfolios' performance after its stock price rose significantly during the quarter. Questcor's March quarter net income tripled from the same period a year ago, mainly due to increasing sales of H.P. Acthar Gel. In mid-July, the company will initiate commercialization of Acthar for rheumatology treatments, backed by an increasing sales force.

By contrast, French biopharmaceutical company, Transgene, dropped after one of its four products in Phase II trials had a setback. Over the past two months, the company posted strong returns, as investors were impressed with the company's drug pipeline. Transgene has three other more valuable products that are progressing on schedule. Nevertheless, news of the setback negatively impacted the stock price.

Colony Bankcorp gained during the quarter, after reporting positive fourth quarter 2011 and first quarter 2012 net income. On April 23, Edward Loomis was appointed as the bank's president and CEO. Under this new leadership, Colony Bankcorp should continue to resolve problem assets and return to previous earnings standards.

Peoples Bancorp also contributed substantially to global portfolio returns, after announcing positive March 31, 2012 earnings. People's management team noted increased loan balances, double-digit deposit growth and favorable asset quality trends. The company went on to declare a cash dividend of \$0.11 per share.

Positive performance by Svenska Handelsbanken and Hannover Re was offset by the decline in Norway's DNB Bank. DNB shifted funding from wholesale markets to lower cost domestic deposits, thereby increasing deposit margins. Investors took this negatively yet management affirmed full year margin guidance.

Verizon Communications produced double digit returns, benefitting from higher smart phone penetration and migration to tiered data sharing plans amongst its customers. Their new mandatory pricing model encompasses

multiple devices - phones, tables, laptops, etc. - on a single billing plan, currently dubbed "Share Everything". According to industry watchers, the plan is the wave of the future with other wireless rivals expected to follow suit.

Nextera Energy led gains in utilities, posting good first quarter 2012 earnings on a non-recurring benefit, but maintained full year estimates. Earnings grew at its subsidiary, Florida Power and Light (FP&L), driven by a higher base rate due to major capital investments. We favor the long term, stable growth profile of regulated FP&L and unregulated renewable energy resources businesses.

Commodity prices declined on concerns of continued global economic volatility and moderating growth in emerging markets, potentially eroding demand for raw materials. No company-specific news impinged on containerboard manufacturer Smurfit Kappa or methanol producer Methanex, yet both materials companies saw stock prices drop during the quarter on concerns about reduced demand.

In information technology, ATM manufacturer Wincor Nixdorf was down on concerns of lower sales due to reduced capital spending by stressed European banks. While this issue may weigh on the stock in the near term, Wincor Nixdorf has other attractive business lines in retail and emerging markets that continue to be profitable.

Reduced spending on software outsourcing impacted Infosys, with more external projects postponed. The market is demanding that Infosys grow its business quickly and give back some of its balance sheet in the form of dividends; the company has been reluctant to proceed on either issue, preferring to bolster margins. While Infosys has been penalized for this stance, its move to a business model of thirds (outsourcing, consultancy and platform-based products) should prove investor-friendly.

CURRENT ASSET ALLOCATION

As a result of "defensive" portfolio restructuring in the first quarter of 2012, we retained a larger than normal amount of cash. We followed our investment discipline and sold to protect downside exposure over the medium term. In expectation of continued worldwide volatility, we held the cash awaiting entry points on market declines. When markets dropped in May, we used the cash to purchase a number of undervalued but fundamentally sound companies and added to a number of existing holdings. At quarter end, cash balances were normalized.

During the second quarter, several new stocks were purchased in the information technology, consumer discretionary and financial sectors. Italy's Lottomatica offers counter-cyclical cash flows from its lottery game operations, helping budget-strapped governments worldwide raise revenues. The company posted double-digit returns in the quarter, competently executing the rollout of video lottery terminals and increasing the popularity of U.S. multi-state lottery Mega Millions.

Over the last two years, our research indicated that a growing number of U.S. IT companies were attractively valued and cash rich. As a result, we bought Microsoft on expectations of growth of its Windows 7 and Windows 8 operating systems. We also purchased Xerox, a legacy copier company that remains competitive especially after increasing its service business with a 2008 acquisition. Another addition was Western Union, which offers the most extensive global money transfer business of any operator. The firm generates a steady stream of cash flows, which are driven primarily by continued growth in immigration from Mexico, China and India to other countries.

We also made an investment in a long-followed Massachusetts-based bank, Brookline Bancorp, which offers good value and an increasingly valuable franchise after its acquisition of Bancorp Rhode Island.

Higher inflation and interest rates in India have resulted in slowing GDP growth and higher non-performing loans. While State Bank of India remains a good value, our concern to protect against declines led us to sell our holdings in the company. If non-performing asset trends subside, we would reconsider our position on this bank.

The following table shows the asset allocation for a representative global portfolio as of June 30, 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	59.18%	45.46%	2.80%	2.87%	2.82%	2.80%	1.24%	2.50%	8.84%	13.71%	5.67%	2.21%	0.00%
Japan	8.89%	6.54%	0.00%	0.00%	1.25%	0.00%	0.00%	3.87%	0.00%	0.00%	0.00%	1.42%	0.00%
Other Asia	5.60%	6.40%	1.04%	0.98%	1.26%	0.00%	0.00%	0.00%	0.00%	0.00%	3.12%	0.00%	0.00%
Europe & Middle East	23.92%	30.99%	0.96%	0.00%	7.31%	1.19%	10.50%	2.35%	3.14%	3.19%	1.20%	1.16%	0.00%
Scandinavia	2.41%	9.13%	0.00%	0.00%	0.00%	3.47%	1.56%	0.00%	0.00%	4.10%	0.00%	0.00%	0.00%
Africa & South America	0.00%	1.31%	1.31%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Cash	0.00%	0.17%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.17%
Portfolio Totals		100.00%	6.11%	3.85%	12.64%	7.46%	13.30%	8.71%	11.98%	21.00%	9.99%	4.78%	0.17%

Table may not cross foot due to rounding.

INVESTMENT ENVIRONMENT AND STRATEGY

For the foreseeable future, we expect to see slow, mixed growth, with some sectors and geographies doing better than others, as the long process of global financial deleveraging continues. Emerging countries will continue to drive growth, although at a slower rate due to sluggish growth in developing countries. Aggressive fiscal stimulus in the U.S. has buoyed the market over the past year.

Meanwhile, the European sovereign debt problems linger, while tenuous conditions in Greece and its possible exit from the Euro zone could accelerate bank withdrawals. Guaranteeing deposits, issuing Euro bonds to banks and countries where borrowing costs have soared, and repealing austerity measures would help keep financial contagion from spreading to other vulnerable southern European economies. Similar patchwork will continue throughout Europe and the U.S. to ensure that a 2008 recession does not recur. However, the root causes of this recession will take time to dissipate.

In general, investors should expect intermittent periods of market turmoil, which may become evident in the second half of 2012. Persistent volatility and investor pessimism help create market inefficiencies (i.e. company stock prices drop more than cash flows), resulting in undervalued companies. In 2011 and 2012 our strategy has been to patiently anticipate and wait for these market declines, allowing us to buy companies with strong long-term fundamentals that have the capacity to develop even in slow-growth markets.

Currently, our research screens are dominated by U.S. companies. After conducting further due diligence and analysis, we have begun a slight shift toward a higher U.S. weighting. New investment ideas are also appearing outside the U.S. and we expect to add new investment opportunities to the global portfolios in the months ahead.

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.