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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 September 30, 2011						
	YTD	QIII	QII	QI	1 Yr	3 Yrs	5 Yrs	10 Yrs	15 Yrs	20 Yrs	Since 9/30/1984
Polaris Capital Global Equity Composite gross	-13.80%	-19.26%	0.63%	6.10%	-5.15%	3.56%	-2.46%	10.20%	8.82%	10.57%	11.92%
Polaris Capital Global Equity Composite net	-14.18%	-19.38%	0.49%	5.95%	-5.71%	2.93%	-3.08%	9.36%	7.92%	9.67%	10.96%
Global Equity Benchmarks											
MSCI World Index, gross dividends reinvested	-11.82%	-16.52%	0.68%	4.91%	-3.84%	0.50%	-1.68%	4.24%	4.48%	6.14%	10.15%

Q3 2011 composite returns are preliminary pending the third-party audit. Past performance is not indicative of future results.

The global portfolios underperformed the benchmark for the quarter ended September 30, 2011. Global markets declined attributable to the Standard & Poor's U.S. credit downgrade and European sovereign debt crisis. Concerns were partially alleviated by the Federal Reserve's vow to keep interest rates "exceptionally low" until at least mid-2013, and by hopes that the Fed will take further stimulus steps to bolster the economy. Nevertheless, nervous investor behavior continued to depress the markets, producing fundamentally-strong companies with good free cash flow and management teams that reached extraordinarily compelling stock prices - ripe for a deep value manager like Polaris.

PERFORMANCE ANALYSIS

The portfolios lagged the benchmark for two compounding reasons: U.S. markets performed relatively better than non-U.S. markets during the quarter. The portfolios were significantly underweight in the U.S. versus the MSCI World Index. Defensive sectors such as consumer staples and utilities held up well while cyclical sectors suffered due to the uncertain prospects for a global economic recovery. Cooler heads must prevail and portfolio strategy remains consistent. A few points worth mentioning:

1. The investment strategy seeks to "derisk" the portfolio

Not surprisingly, economically-sensitive sectors declined most in the quarter as reflected in portfolio performance of financials, materials and industrials. Finnish construction services company YIT was down on concerns about margin erosion, as cost inflation may be outpacing the company's ability to raise prices. Italy's foundation and drilling services company, Trevi Finanziaria, was negatively affected by European debt issues and concerns over the effect of Middle East unrest on commercial operations in the region.

In materials, Irish paper-based packaging maker Smurfit Kappa Group Plc suffered from higher recycled paper costs; we expect price hikes enacted earlier this year will be reflected in improved margins in the next six months. Slowing consumer demand and higher raw material prices pressured profitability at German perfume oils and food flavorings producer Symrise AG. Chemical companies BASF SE and Solvay SA expressed caution about second half growth.

2. In a turbulent environment, defensive holdings frequently outperform economically-sensitive sectors.

Cash accumulated from sales of cyclical companies was deployed to purchase new and boost current "defensive" positions. In particular, Japanese brewery Asahi Group Holdings Ltd., dairy company Meiji Holdings Co Ltd. and frozen food purveyor/cold storage operator Nichirei Corp. all turned in solid positive performances. Hong Kong water utility Guangdong Investment Ltd. was up strongly in a down market. Such industries proved fairly impervious to recent market volatility, as food and water remain basic necessities.

In healthcare, Questcor was a positive contributor as it posted a strong second quarter on expanded use of Acthar for treatment of multiple sclerosis exacerbations. The company is targeting systemic lupus erythematosus (SLE) as the fourth on-label market for Acthar, after MS, nephrotic syndrome and infantile spasms.

3. Don't flee from depressed but fundamentally sound holdings.

Few of the portfolio companies suffered any fundamental deterioration or substantial changes in cash flows; yet holdings declined similarly to the sector returns. Many of the Fund's U.S. banking holdings announced healthy trends in earnings during the quarter; both Ameris Bancorp and Colony Bankcorp reported positive net income for the June 2011 quarter, with lower loan loss provisions and growth in demand deposits. However, stock prices declined, largely due to investor liquidation of financial stocks as a result of concerns about the European banking crisis. This held true of foreign stocks as well, with KBC Groep declining on higher provisions and DNB Nor falling with Nordic peers although it has been one of the best Nordic performers over the last three months.

4. Cash is king

Rather than predict volatile macro-economic conditions, we continue to seek out companies we believe are able to weather economic downturns. We carefully assess the fundamental strengths of individual holdings, noting that the outlook for many of the portfolio companies' cash flows is promising.

Take for example, healthcare company Transgene SA, which is a €240M market cap company sitting on nearly €140M in cash and potential milestone payments of €700M. Consider also the recent purchase of Deutsche Telekom. The U.S. Department of Justice is now suing to block AT&T's proposed takeover of Deutsche Telekom's cellular unit, T-Mobile USA, on antitrust concerns -- which caused the stock to drop. However, Deutsche Telekom stands to earn a termination fee of at least $3 billion from AT&T, equivalent to 5.5% of its market value, if the $39 billion sale of T-Mobile USA falls through. The company is committed to returning substantial cash to shareholders over the next several years.

CURRENT ASSET ALLOCATION

During the September quarter, we sold two industrials as they reached their valuation limits, on positive news of takeovers. Germany's Demag Cranes is to be acquired by Terex, a U.S. construction equipment maker. German engine maker Tognum AG agreed to a joint takeover bid from Rolls-Royce Group Plc and Daimler AG at an attractive multiple. Some of the accumulated cash was deployed to an existing holding, Greencore, which raised cash to complete a merger, and to establish a new position in Forest Laboratories, which develops and sells branded and generic drugs, including Lexapro.

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

Representative Global Portfolio Asset Allocation

	MSCI World Weight	Representative Global Portfolio											
		Portfolio Weight	Energy	Utilities	Materials	Industrials	Consumer Discretionary	Consumer Staples	Health Care	Financials	Information Technology	Telecom. Services	Cash
N. America	*56.10%*	*39.68%*	*1.19%*	*2.88%*	*3.14%*	*4.31%*	*2.04%*	*3.51%*	*7.61%*	*9.99%*	*2.27%*	*2.73%*	*0.00%*
Japan	*10.14%*	*12.26%*	*0.00%*	*1.19%*	*1.62%*	*2.42%*	*0.00%*	*5.63%*	*0.00%*	*0.00%*	*0.00%*	*1.40%*	*0.00%*
Other Asia	*5.70%*	*7.38%*	*1.03%*	*0.69%*	*1.40%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.95%*	*2.24%*	*1.08%*	*0.00%*
Europe & Middle East	*25.59%*	*28.36%*	*1.20%*	*0.00%*	*6.28%*	*1.86%*	*7.50%*	*2.00%*	*3.34%*	*3.72%*	*1.10%*	*1.37%*	*0.00%*
Scandinavia	*2.48%*	*8.68%*	*0.00%*	*0.00%*	*0.00%*	*3.07%*	*1.57%*	*0.00%*	*0.00%*	*4.04%*	*0.00%*	*0.00%*	*0.00%*
Africa & South Americ	*0.00%*	*2.47%*	*1.43%*	*0.00%*	*1.04%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*
Cash	*0.00%*	*1.17%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*1.17%*
Portfolio Totals		100.00%	4.84%	4.76%	13.47%	11.66%	11.11%	11.14%	10.96%	18.70%	5.61%	6.58%	1.17%

Table may not cross foot due to rounding.

INVESTMENT ENVIRONMENT AND STRATEGY

Economic uncertainty prevails, with varied levels of growth and activity worldwide. We anticipate some negative periods; in fact, we are in one such period currently. However, we are able to capitalize on volatility, buying fundamentally strong stocks that are undervalued. Today, we have nearly 1,900 global companies on our screens, which points to extraordinary values in the market.

The majority of the portfolio's holdings weathered the recession without undue difficulty. Due to the recession, many of the portfolio companies underwent restructuring, streamlining business units and creating efficiencies, upon which even slow sales growth generates increases in cash flows. Many also became vigilant in spotting and addressing any short- or long-term potential problems. As a result, we feel even more confident today that the portfolio's holdings can withstand any minor downturn in the near future.

However, we can't ignore considerable investor apprehension about future recessions, mainly hinged on European banking issues. When the European sovereign debt and banking problems are resolved, and the world moves beyond the current concerns, we expect valuations to return to more normalized levels -- offering the potential for good portfolio returns.

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.