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

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GLOBAL EQUITY COMPOSITE REPORT

	2018				Annualized as of September 30, 2018				
	YTD	QIII	QII	QI	1 Yr	3 Yrs	5 Yrs	10 Yrs	Since 9/30/1984
Polaris Capital Global Equity Composite gross	**1.70%**	**2.09%**	**1.66%**	**-2.01%**	**7.90%**	**14.07%**	**10.69%**	**11.17%**	**12.46%**
Polaris Capital Global Equity Composite net	**1.35%**	**1.97%**	**1.54%**	**-2.11%**	**7.41%**	**13.57%**	**10.19%**	**10.60%**	**11.59%**
MSCI World Index, gross dividends reinvested	5.89%	5.10%	1.93%	-1.15%	11.84%	14.17%	9.89%	9.17%	10.09%

Q3 2018 composite returns are preliminary. Past performance is not indicative of future results.

The Polaris Global Equity Composite gained +2.09% for the third quarter of 2018, lagging the MSCI World Index, which returned +5.10%. Underperformance during the quarter was attributable to the portfolio's significant benchmark-relative underweight in the U.S., during an extended period of U.S. stock market momentum. The MSCI USA Index, gross advanced +7.51%, while the MSCI ACWI ex USA Index, gross was up +0.79%. Therefore, the global portfolio underperformed as it was not fully benchmark-weighted in the U.S.

One satisfying aspect of the quarter was the non-U.S. segment of the portfolio where the portfolio outperformed on the back of positive contributions from Norway and Switzerland, as well as Asian regions including Thailand and South Korea. The only notable country detractors were the U.K. and France. Currency impact was minimal for the quarter.

From a sector perspective, losses in consumer discretionary, consumer staples and industrials were offset by contributions from financials, health care, information technology (IT), telecommunication services, energy and materials. Consumer discretionary weakness was across the board, with more than 75% of holdings in negative territory. In consumer staples, U.S.-based Tyson Foods faced export headwinds due to China tariffs. Two U.K. companies, Babcock International Group PLC and BBA Aviation, led declines in the industrial sector.

Conversely, financials were buoyed by Siam Commercial Bank (+30%), while a handful of other institutions had double-digit gains including Popular Inc., Hannover Re, Sparebank 1 SR and Svenska Handelsbanken. The global portfolio was overweight and outperformed in the materials sector, as Yara International and Methanex Corp. gained on positive supply-demand metrics. LG Uplus Corp. was the big winner in the telecom sector, after launching a new mobile phone plan and entering into a multi-year partnership with Netflix.

PERFORMANCE ANALYSIS

Consumer discretionary holdings impinged most on portfolio results, with five of the 10 worst performing stocks portfolio-wide relegated to this sector: U.S. retailers, L Brands and Carter's Inc.; French advertiser, Publicis Groupe; U.K. retailer Next PLC; and Canadian auto parts manufacturer, Magna International. L Brands (-16%) had stagnant same-store sales in Victoria's Secret and Pink, lowering guidance for those retailers. Publicis reported softer quarterly sales, but held firm to full-year expectations for organic sales growth. Carter's, Inc. (-9%) management said that the company didn't really see much of a sales lift from Toys "R" Us store closures, dampening long-term hopes of usurping market share. These losses were partially offset by the second best overall portfolio contributor, U.K. theater group Cineworld PLC, which was up +19% on the back of blockbuster movie ticket sales; Cineworld anticipates second half results to be in line with guidance.

In consumer staples, Tyson Foods (-13%) cut its profit forecast at the end of July, citing lower protein prices. China tariffs led to fewer exports from the U.S. and a glut of supply in the U.S. market, which hurt pork, beef and chicken pricing.

U.K. government services outsourcer, Babcock International (-12%), was the largest individual detractor to overall portfolio returns. Despite reaffirming full year profit targets, Babcock lowered revenue assumptions as the marine segment was impacted by a reorganization of major client, the U.K. Navy. Elsewhere in industrials, BBA Aviation noted weak U.S. private jet travel despite strong economic activity in the U.K. and U.S.

Although the global portfolio lagged the benchmark, it still achieved absolute positive returns for the quarter largely due to financials and health care. Siam Commercial Bank was the greatest contributor overall in the portfolio. The Thailand bank's earnings highlighted solid loan growth and good credit metrics that compensated for increased IT spending. Investors were pleased to see Puerto-Rican bank, Popular Inc., flush with cash in a post-hurricane rebuild, as the company initiated a $125 million stock buyback plan and completed the purchase of Wells Fargo's auto-finance business in Puerto Rico. German reinsurer, Hannover Re (+13%), reported stronger-than-anticipated quarterly results and expanded the dividend. JPMorgan Chase & Co. announced solid quarterly results, capitalizing on their leading market position in key verticals. Sparebank 1 SR beat analyst estimates for pre-tax profits and net interest margins, while impairments were adjusted down. Financial sector returns would have been even stronger if not for Colombia's Bancolombia and U.S. institution, Ameris Bancorp. Ameris' (-14%) provisions increased due to two loans impairments that were part of a recent acquisition.

In healthcare, Allergan (+15%) held an investor day focused on the medical aesthetics business. The company hopes to double this business by 2020; efforts are already underway with the purchase of biotech company Bonti, which develops fast-acting neurotoxin products. Allergan's dry eye drug, Restasis, remains the market leader, as near-term competitive pressures from generic manufacturers have not materialized. Another pharmaceutical company, Novartis AG, cited quarterly results with both organic revenue and earnings growth; the company went on to reiterate its optimistic full-year guidance. Anthem Inc. reported higher-than-expected quarterly profit and raised its 2018 forecast, as acquisitions, lower medical expenses and recent U.S. tax changes helped the Blue Cross-Blue Shield health insurer.

In IT, Microsoft Corp.'s (+16%) earnings were driven by the Azure cloud computing business and recently-launched product partnership with Walmart. Microsoft is also slated to close on it acquisition for GitHub, a collaborative software development platform, before the end of 2018. All of these business initiatives enhanced growth expectations. Web.com Group, Inc. rose on news that Siris Capital raised its purchase offer for the IT company.

Shares of Marathon Petroleum (+15%) rebounded in the third calendar quarter of 2018, as refining margins expanded due to widening crude differentials. Additionally, the company gave a positive update on regulatory and synergistic efforts related to the Andeavor acquisition.

Amongst materials, Yara International's (+18%) quarterly revenue was above analyst estimates, and fertilizer deliveries were higher due to European demand as well as acquisitions in India and Brazil. Methanex, the market leader and a low-cost producer of methanol, noted strong second quarter 2018 revenue as demand from olefin makers and clean fuel suppliers continued to outstrip supply.

During the quarter, we exited Australian energy consulting firm, WorleyParsons, as the company reached its full valuation target. Cash has been redeployed to bolster existing holdings, namely Nexon Co. Ltd. and recent purchase, Korean Tobacco & Ginseng Corporation (KT&G). KT&G's healthy balance sheet stems from a dominant local market position, a growing international and emerging market operation and new products to compete in the "Heat Not Burn" product segment.

The following table reflects the sector and regional allocation for a representative global equity portfolio as of September 30, 2018.

	MSCI World Weight	Portfolio Weight	Energy	Utilities	Materials	Industrials	Consumer Discretionary	Consumer Staples	Health Care	Financials	Information Technology	Telecom Services	Real Estate	Cash
N. America	*65.3%*	41.7%	1.6%	2.8%	3.2%	2.6%	3.6%	2.3%	6.2%	10.5%	7.6%	1.3%	0.0%	0.0%
Japan	*8.5%*	4.1%	0.0%	1.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.4%	1.3%	0.0%	0.0%
Other Asia	*4.1%*	12.7%	0.0%	0.0%	1.4%	0.0%	2.0%	0.9%	0.0%	3.8%	3.5%	1.2%	0.0%	0.0%
Europe & Middle East	*19.9%*	31.7%	0.0%	0.0%	6.5%	5.0%	9.4%	1.4%	2.8%	5.1%	0.0%	1.6%	0.0%	0.0%
Scandinavia	*2.2%*	8.1%	0.0%	0.0%	1.4%	2.1%	0.4%	0.0%	0.0%	4.1%	0.0%	0.0%	0.0%	0.0%
Africa & South America	*0.0%*	1.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.3%	0.0%	0.0%	0.0%	0.0%
Cash	*0.0%*	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.1%
Portfolio Totals		100.0%	1.6%	4.2%	12.5%	9.7%	15.4%	4.6%	9.0%	24.8%	12.5%	5.3%	0.0%	0.3%
MSCI World Weight	*100.0%*		*6.5%*	*2.9%*	*4.7%*	*11.3%*	*12.6%*	*8.1%*	*12.9%*	*16.3%*	*19.1%*	*2.6%*	*2.9%*	*0.0%*

Table may not cross foot due to rounding.

INVESTMENT ENVIRONMENT AND STRATEGY

Our benchmark-agnostic investment philosophy has served us well over the past 25+ years, as evidenced by the global portfolio's long-term performance results. As a bottom-up pure value portfolio, holding composition may look very different than the Index, and performance may deviate as a result. Historically, we have been on the winning side of this disparity (as measured by calendar year results). But not always, as in the case now when the portfolio remains underweight in the U.S., leading to short-term underperformance. While we selectively add U.S. stocks to the portfolio, we are not finding enough high quality, attractively priced companies to make up the 30% underweight position.

U.S. stocks continue to perform well relative to the rest of the world, simply because the U.S. economy continues to show signs of strength. The majority of companies with which we speak echo this upbeat viewpoint. However, there are pockets of weakness, like auto sales trending down and certain sectors impacted by tariffs.

Most other world economies were in modestly positive territory for the quarter. Germany pointed to domestic demand and above-inflation pay raises bolstering growth. House buying remained firm along with retail sales and service in the U.K., although not all signals are positive. BREXIT-related uncertainty may drag on business investment in the U.K. in coming quarters. While there is concern manufacturing activity is slowing throughout Europe as export demand weakens and input costs firm, we continue to see a potential strengthening in the third quarter after a slower summer. Asian economies are wary, as the U.S.-China tariff salvos continue.

These concerns have led to recent global market volatility, which has pushed some of our watch-list companies down to our price targets. We have renewed our research on these and other companies with the intent of near-term purchases. We are committed to staying the course, enhancing the valuation profile, limiting downside risk, and positioning the global portfolio for long-term success.

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, measure the performance of a diverse range of global stock markets in the United States, Canada, Europe, Australia, New Zealand and the Far East. The Index measures the performance of stock markets in these geographic areas including reinvestment of gross dividends. The MSCI USA Index is designed to measure the performance of the large- and mid-cap segments of the U.S. market. The MSCI ACWI ex USA Index is designed to measure the equity market performance of developed and emerging markets, and excludes the U.S. One cannot invest directly in an index.