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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

	2019				Annualized as of September 30, 2019				
	YTD	QIII	QII	QI	1 Yr.	3 Yrs.	5 Yrs.	10 Yrs.	Since 9/30/1984
Polaris Capital Global Equity Composite gross	13.01%	-0.86%	3.21%	10.44%	-2.07%	8.60%	7.43%	10.35%	12.02%
Polaris Capital Global Equity Composite net	12.61%	-0.98%	3.09%	10.31%	-2.65%	8.07%	6.91%	9.79%	11.15%
MSCI World Index, gross dividends reinvested	18.15%	0.66%	4.20%	12.65%	2.42%	10.82%	7.79%	9.61%	9.86%

Q3 2019 composite returns are preliminary. Past performance is not indicative of future results.

Global equity markets had modest gains after considerable trade friction and geopolitical volatility during the third quarter of 2019. The MSCI World Index rose +0.66%, while the Polaris Global Equity Composite returned -0.86%.

The portfolio's significant underweight in the U.S. relative to the benchmark continued to impact results, as the U.S. was one of the few developed countries in positive territory for the quarter. The United Kingdom, Austria, Germany and Israel had negative returns at the Index level; however, the portfolio holdings in those countries outperformed. In particular, U.K. consumer discretionary holdings, Bellway PLC and Next PLC, and British engineering services company Babcock International Group, exacted double-digit gains for the quarter. Overweight positions in Norway, France, Sweden and Canada detracted, as each of these countries saw their local stock markets slide during the quarter. Exposure to foreign currencies hampered results as the U.S. dollar appreciated against most major currencies. At the sector level, strong outperformance in information technology (IT), industrials, utilities and energy could not offset losses in materials and financials, which were overweight portfolio positions relative to the benchmark.

THIRD QUARTER 2019 PERFORMANCE ANALYSIS

Methanex, the Canadian based methanol producer, was impacted by lower realized methanol prices, due mainly to a large inventory build. The company also announced the construction of a third methanol facility in Geismar, Louisiana; investors were concerned about increased leverage as the company self-financed the project. French company, Imerys SA, slumped due to negative organic revenue growth in the first half of the year and issued a profit warning. Australian miner, BHP Group, declined due to weakening iron ore prices. The materials sector is commonly considered a bellwether for global economic activity; negative results could suggest further economic weakness in the months ahead, for which we are prepared.

Investment management company Franklin Resources faced continued net fund outflows. Franklin also suffered losses due to large positions in the Argentina bond market, as the country's bonds plunged after election results. Central banks throughout Asia have cut interest rates as a pre-emptive move to support growth at a time when risks to the global economy are piling up. Share prices of South Korea's Shinhan Financial Group and Thailand's Siam Commercial Bank dropped in this environment, with expectations that further rate cuts will add pressure on net interest margins. One bright spot among financials was Chubb Ltd., which reported property & casualty insurance net premiums up 6%, with strong growth in its North America commercial insurance operations and overseas general division. The portfolio made a new investment in Toronto-Dominion Bank, one of Canada's largest banks. The undervalued bank is an attractive buy due to its strong retail exposure, banking footprint in the Northeast U.S. and part ownership of TD Ameritrade.

In communication services, gaming company Nexon Co. was down as its second quarter operating income missed street estimates due to lower traction in its flagship game, Dungeon & Fighter, in mainland China. Theater operator Cineworld's pretax profit declined in the first half of the year, attributable to timing of blockbuster films when compared with the year before, but the company reported it was on track to meet full-year expectations.

Most of the portfolio's IT holdings were in absolute positive territory, leading to sector benchmark outperformance, as Western Union and SK Hynix generated double-digit gains. Western Union tackled top-and bottom-line growth with 1) an extensive multi-year \$100 million cost reduction initiative, reducing manual processes in favor of technology; and 2) the introduction of a cross-border platform marketed to third parties. Infosys Ltd. gained traction in the cloud and digitization business, serving as the preferred cloud vendor for Microsoft. SK Hynix's stock was up as DRAM prices rose in June and July; the company also noted declining memory inventories due to better demand.

Babcock International was the top overall contributor in the portfolio, up more than 20% during the quarter. The company recovered from a negative short seller research report rife with inaccuracies about future business prospects. Polaris research analysts conducted in-depth work on the company, visiting the Davenport facility in the U.K. and meeting with management. Polaris determined that concerns about a deteriorating relationship with the U.K.'s Ministry of Defense were unfounded. In a Babcock trading update, the company reported increased activity across the UK warship support program, and was the preferred bidder on a new warship build. Among other industrials, VINCI SA gained modestly after winning new airport and highway concessions, including the Gatwick expansion.

U.S. utilities led sector gains, with Florida-based NextEra Energy Resources up 14%, gaining momentum in renewable energy projects. Such projects have become quite profitable with lower costs and can operate on a stand-alone basis without governmental tax credits. With stable regulation for the Florida utility and a record pipeline for renewables, NextEra's aggressive growth targets will likely be reached.

Within the consumer staples sector, Japan's Asahi Group was up more than 10% after it reported mixed first half results with below target numbers in alcohol beverages but strong performance in soft drinks and food. The market has also warmed up to Asahi's strategy of diversifying outside Japan, mainly through key acquisitions. In the U.S., Tyson Foods beat analyst expectations in its quarterly results. Volume growth in its core retail lines continued to outpace other large food companies, driven primarily by product innovation. Adversely, Tyson issued a profit warning for the fourth quarter of 2019, due to one-off operational issues at a few of its processing facilities.

Table reflects sector/regional allocation for a representative global equity portfolio as of September 30, 2019.

	MSCI World Weight	Portfolio Weight	Energy	Utilities	Materials	Industrials	Consumer Discretionary	Consumer Staples	Health Care	Financials	Information Technology	Comm. Services	Real Estate	Cash
N. America	66.6%	38.4%	1.6%	3.6%	1.1%	2.3%	3.2%	2.6%	5.7%	11.6%	5.3%	1.5%	0.0%	0.0%
Japan	8.2%	6.5%	0.0%	1.1%	0.2%	0.0%	0.0%	1.5%	0.0%	1.3%	0.0%	2.5%	0.0%	0.0%
Other Asia	4.0%	12.3%	0.0%	0.0%	1.4%	0.0%	2.1%	0.8%	0.0%	3.5%	3.6%	0.8%	0.0%	0.0%
Europe	19.2%	30.0%	0.0%	0.0%	6.7%	5.0%	6.4%	0.9%	1.3%	5.5%	0.0%	4.2%	0.0%	0.0%
Scandinavia	2.0%	8.9%	0.0%	0.0%	1.3%	3.6%	0.4%	0.0%	0.0%	3.6%	0.0%	0.0%	0.0%	0.0%
Africa & South America	0.0%	1.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.4%	0.0%	0.0%	0.0%	0.0%
Cash	0.0%	2.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.6%
Portfolio Totals		100.0%	1.6%	4.6%	10.7%	10.9%	12.1%	5.9%	7.0%	26.8%	8.9%	8.9%	0.0%	2.6%
MSCI World Weight	100.0%		5.2%	3.6%	4.4%	11.1%	10.5%	8.8%	12.4%	15.7%	16.5%	8.4%	3.4%	0.0%

Table may not cross foot due to rounding.

INVESTMENT ENVIRONMENT AND STRATEGY

Continued trade tensions between the U.S. and China have weighed down the global economy; we do not see those fractious conditions resolving anytime soon. Our portfolio companies have responded to these events by cautiously exploring or even curtailing their investment and production plans. While we continue to seek defensive companies like VINCI SA, Loomis AB and BBA Aviation, our screens point to more companies in sectors like materials and industrials. New investments were being initiated at the start of the fourth quarter.

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. One cannot invest directly in an index.