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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**

For current international equity performance, **please click here**

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

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POLARIS CAPITAL MANAGEMENT, LLC

Information presented is supplemental to the annual disclosure presentation.
For composite performance and a fully compliant presentation, visit: www.polariscapital.com/international-equity

INTERNATIONAL EQUITY COMPOSITE REPORT

	2020				Annualized as of September 30, 2020				
	YTD	QIII	QII	QI	1 Yr	3 Yrs	5 Yrs	10 Yrs	Since 6/30/1984
Polaris International Equity Composite gross	-18.22%	3.86%	17.45%	-32.96%	-9.89%	-3.25%	4.22%	6.58%	10.78%
Polaris International Equity Composite net	-18.53%	3.73%	17.31%	-33.05%	-10.34%	-3.77%	3.66%	5.96%	9.95%
MSCI EAFE Index, gross dividends reinvested	-6.73%	4.88%	15.08%	-22.72%	0.93%	1.11%	5.77%	5.10%	8.59%

Third quarter 2020 composite returns are preliminary. Past performance is not indicative of future results.

Global equity markets rose in the third quarter of 2020, building on the prior quarter's gains. Most countries and sectors advanced, supported by governments' stimulus measures intended to mitigate the economic impact of COVID-19. Corporate results have become progressively "better", as companies report modest losses in the third quarter.

While infection rates subsided from May to August, the expected second wave of COVID-19 cropped up in many countries by September. Yet the economic impact of this second wave may be muted, as health care systems begin to understand how to treat the disease and potential vaccines progress quickly. Investors appear to be expecting more progress and recovery, as evidenced by upbeat market returns.

The Polaris International Equity Composite gained 3.86% for the third quarter of 2020, underperforming the MSCI EAFE Index which returned 4.88%. The International Composite outperformed the MSCI EAFE Value Index which gained 1.30%. Portfolio gains were attributable to materials, consumer discretionary and information technology (IT); detractors were mainly financials and communication services, where the portfolio was overweight and underperformed relative to the benchmarks. The portfolio had strong performance in out-of-benchmark countries, including South Korea, India, Canada and China, while also outperforming in Norway and Belgium. The main detractor was Italy, where Trevi Finanziaria Industrial relinquished some of its outsized gains from the second quarter. Other detractors were focused in the U.K., with losses in Taylor Wimpey, Cineworld Group, Greencore Group and Babcock International.

On the positive side, most of the top contributors were investments made at the beginning of the pandemic. Polaris had conducted extensive research in January and February, deliberately redeploying capital to subsectors historically unattainable due to valuation. When stocks such as Dometic Group AB, Bunzl PLC, Mondi PLC, Ryanair Holdings PLC and Zhongsheng Group Holdings dropped precipitously, Polaris snapped up these cash-flow heavy companies on the expectation of participating in a rebound. The decision was prescient as all five posted double-digit returns, most in excess of 20%, during the quarter.

THIRD QUARTER 2020 PERFORMANCE ANALYSIS

Most of materials sector holdings were in positive territory, led by Methanex Corp., Linde PLC and Yara International ASA. Canadian methanol producer, Methanex, posted steady gains as methanol prices recovered from second quarter 2020 lows. The company referenced improving methanol demand within Europe and Asia, specifically in China. Supply and demand trends, with the benefit of a few Middle East plant outages, allowed Methanex to increase prices. Cautious of ongoing commodity market tumult, Methanex shored up its balance sheet and preserved cash by idling plants, deferring capital spending and reducing the dividend. Diversification was key for Linde's continued success: the company delivered gases to a worldwide client base, grew its U.S. home/hospital oxygen therapy business and signed deals in China to produce green hydrogen. Norwegian materials company, Yara, announced a 5% share buyback, signaling management's confidence in company prospects. The company is expected to pay a special dividend after the $1 billion buyback of its 25% stake in Qatar Fertilizer.

In the consumer discretionary sector, South Korean automaker, Kia Motors Corp., beat expectations with strong sales of premium and sport SUVs in the U.S. and Korea, as well as auto introductions in India. Climate control and convenience products maker for recreational vehicles (RVs), Dometic Group, capitalized on the RV travel craze as consumers sought vacation alternatives in light of COVID-19. Dometic's aftermarket sales held up well, while its cost cutting and efficiency measures improved margins. U.K. retailer Next PLC noted strong first half results, and raised its outlook on the back of continued online sales growth; simultaneously, the company reined in cost controls and warehouse capacity. The only sector detractor of note was U.K. homebuilder Taylor Wimpey, which declined after the company announced lower housing completions in fiscal year 2020 due to COVID distancing restrictions. This short-term headwind is expected to reverse course in the second half of 2021, with Taylor Wimpey's management projecting firmer order books as construction resumes and homebuyers come back to the market.

The international portfolio significantly outperformed in IT, led by Infosys Ltd. and Samsung Electronics. Infosys was up more than 40% after reporting profits above expectations, citing good cost controls and flexibility/adaptation in serving clients in a COVID-19 contactless environment. Infosys also announced several complementary acquisitions during the quarter, including GuideVision, Essential Utilities and WANdisco. Samsung's DRAM chip spot prices turned positive, with major customers placing orders to rebuild inventory before the end of 2020, when demand is expected to outstrip supply. Additionally, Samsung's foundry business became the sole provider for Qualcomm's application processor for premium 5G smartphones. In contrast, Catcher Technology Co. Ltd. declined after selling two of its Chinese plants used to manufacture Apple iPhone cases. While this business approximated 40% of revenue, it was only 10% of profit as a high-volume, low-margin production. Catcher kept the more profitable Apple MacBook business inhouse. With the $1.4 billion plant sale to China's Lens Technology, Catcher now has more than $4.4 billion net cash. Investors are in a holding pattern, awaiting Catcher's next strategic moves to deploy the cash.

Strong industrial sector returns from Bunzl, Ryanair Holdings, SKF AB and Loomis AB couldn't offset losses from Babcock International and Trevi Finanziaria. Bunzl reinstated dividends after reporting higher pre-tax profits in the first half of 2020, as its grocery and cleaning/safety divisions rose. The company also announced two acquisitions of U.S. safety-products company MCR Safety and Irish flexible-packaging distributor, Abco Kovex. Trevi, the Italian engineering and foundation driller, underwent a complete financial and operational restructuring. The stock jumped more than 150% in the second quarter as the one of the portfolio's top performers, but relinquished some of this gain in the third quarter. Trevi may face some near-term headwinds, as governmental infrastructure spending is postponed in deference to immediate COVID-19 related needs of citizens. However, the company reaffirmed guidance, pointing to strength of its order book. Babcock International, the U.K. engineering services firm that supports local defense, emergency services and civil nuclear sectors, noted declining profits due to new distancing requirements on ship repair worksites. The stock price slipped further after Babcock announced the end of its long-term contract with Britain's Nuclear Decommissioning Authority to clean up 12 Magnox reactor sites in the U.K.

Upon reopening the global economy post lockdown, financials saw a solid recovery in July and August; by September, this trend reversed course on increased COVID-19 cases. Many banks also encountered lower net interest margins and slower loan growth, while concerns swirled about stimulus running dry, raising the risk of defaults. To counteract these issues, banks have set aside large reserves and capital to absorb potential losses. In fact, many of the banks have the highest capital ratios and loan loss reserves in more than 20 years. For example, Sweden's Svenska Handelsbanken shored up capital by deferring 2020 dividend payments, closing bank branches and restructuring the employees' profit-sharing plan. German reinsurer Hannover Re declined when it failed to issue full year guidance, choosing a more conservative statement due to lack of clarity around COVID-19. However, all indications suggest significant price increases in various property and casualty reinsurance, which bodes well for 2021 results. In the interim, Hannover is considering cost cuts to maintain their margins and profitability. Many of these well-capitalized financial institutions are trading at single digit multiples, priced lower than assumptions for the industry's worst-case scenario. So, we believe the upside potential is substantial in an economic recovery, fits and spurts of which are already underway outside the U.S.

U.K.'s Cineworld Group declined due to delays in theatre re-openings as a result of COVID-19. After the quarter end, Cineworld announced plans to shut down all U.S. and U.K. theaters until movie studios release blockbuster movies and theater openings are permitted in New York and Los Angeles, where the majority of movie critics reside.

The following table reflects the sector and regional allocation for a representative international equity portfolio as of September 30, 2020.

	MSCI EAFE Weight	Portfolio Weight	Energy	Utilities	Materials	Industrials	Consumer Discretionary	Consumer Staples	Health Care	Financials	Information Technology	Comm. Services	Real Estate	Cash
N. America	*0.0%*	8.0%	0.0%	0.0%	1.8%	1.7%	2.2%	0.0%	0.0%	3.2%	0.0%	0.0%	0.0%	0.0%
Japan	*25.8%*	7.1%	0.0%	0.0%	0.9%	0.0%	1.6%	1.7%	0.0%	1.6%	0.0%	1.4%	0.0%	0.0%
Other Asia	*11.2%*	19.9%	0.0%	0.0%	0.0%	1.7%	5.2%	1.3%	0.0%	3.0%	7.2%	1.5%	0.0%	0.0%
Europe	*55.4%*	44.7%	0.0%	0.0%	13.0%	7.3%	9.1%	2.4%	3.6%	4.2%	0.0%	5.0%	0.0%	0.0%
Scandinavia	*7.5%*	12.6%	0.0%	0.0%	1.9%	3.8%	1.1%	0.0%	0.0%	5.8%	0.0%	0.0%	0.0%	0.0%
Africa & South America	*0.0%*	3.0%	0.0%	0.0%	1.6%	0.0%	0.0%	0.0%	0.0%	1.3%	0.0%	0.0%	0.0%	0.0%
Cash	*0.0%*	3.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	3.8%
Portfolio Totals		100.0%	0.0%	0.0%	19.2%	14.5%	19.3%	5.3%	3.6%	19.2%	7.2%	7.9%	0.0%	3.8%
MSCI EAFE Weight	*100.0%*		*2.8%*	*4.0%*	*7.6%*	*15.2%*	*11.9%*	*11.9%*	*14.4%*	*15.1%*	*8.6%*	*5.5%*	*3.1%*	*0.0%*

Table may not cross foot due to rounding.

INVESTMENT ENVIRONMENT AND STRATEGY

Polaris added more than a dozen new stocks to the Composite portfolio in the early days of the COVID-19 pandemic, taking advantage of historic lows as an entry point. In the ensuing months, many of these companies rebounded dramatically; this quarter, Polaris sold Ryanair at a hefty profit as it reached Polaris' valuation limit. The timing was opportune, as a second wave of COVID-19 infection in the Fall season has cast doubt on the robustness of the travel/leisure sector in the short-term.

Much discussion has surrounded the manner of the American economic recovery, with many pundits pointing to a "K" shape recovery, which is a bifurcated rebound with industries like technology, retail and software on the rise, while travel, entertainment, hospitality and food service continue their downward slide. There is little debate on the shape of recovery in Europe and Asia, as many of these countries are trending back to normal commerce. Germany's economy is improving faster than anticipated, helped by a mild and short coronavirus lockdown, large-scale fiscal stimulus and Berlin's close trade links with China. France's gross domestic product, which shrunk by a record 13.8% in the second quarter of 2020, was forecasted to grow by 17% in the third quarter. China is back up to pre-COVID-19 economic activity levels, as businesses reopen, mobility increases and consumer spending rises. On this backdrop, many companies are resuming full operations and are catching up with demand and adjusting production as needed based on future orders. Yet, business projections and investor optimism might be dampened as a second wave follows into a third wave of infection in late 2020.

With competing macro trends in mind, we bolstered the defensive names in our portfolio that have higher return profiles and lower downside risk. At the same time, we are holding onto some more depressed cyclical companies with strong cash flows that may have significant upside potential as markets normalize. We believe that this multi-pronged investment approach may allow us to weather the pandemic, and lead to good performance in a recovery.

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 EAFE Index, gross dividends reinvested, is designed to represent the performance of large and mid-cap securities across 21 developed markets, including countries in Europe, Australasia and the Far East, excluding the U.S. and Canada.