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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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Information presented is supplemental to the annual disclosure presentation.
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GLOBAL EQUITY COMPOSITE REPORT

	2011					Annualized as of December 31, 2011						
	YTD	QIV	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	-8.05%	6.66%	-19.26%	0.63%	6.10%	-8.05%	16.06%	-3.44%	9.08%	8.60%	10.82%	12.07%
Polaris Capital Global Equity Composite net	-8.59%	6.51%	-19.38%	0.49%	5.95%	-8.59%	15.37%	-4.04%	8.24%	7.71%	9.92%	11.11%
Global Equity Benchmarks												
MSCI World Index, gross dividends reinvested	-5.02%	7.72%	-16.52%	0.68%	4.91%	-5.02%	11.75%	-1.82%	4.15%	4.68%	6.31%	9.53%

Q4 2011 composite returns are preliminary pending the third-party audit. Past performance is not indicative of future results.

We entered 2011 prepared for a mixed and volatile economic environment and with these expectations in mind, we positioned the portfolio to be more defensive. During the quarter, we were rewarded by positive gains in energy, healthcare, consumer staples and utilities.

Volatility affected full-year results, as first and fourth quarter gains were offset by the middle two underperforming quarters. Annual results were mainly impacted by an underweight holding in the U.S. and weakness in financial, industrial and information technology sectors. U.S. financials experienced a strong rebound in the fourth quarter, with projections for growth in 2012.

Fourth Quarter in Summary:

- The portfolio held some short-term strong performers and companies that were among the best values, but at the same time appeared to be underachievers. This was illustrated by the portfolio's banking stocks, which have lagged until recently. They were strong in the fourth quarter with U.S. banks up nearly 10%. By holding onto substantially undervalued and fundamentally-sound companies during negative periods, we were the beneficiaries of an early and fast rebound.
- Merger and acquisition activity was a strong catalyst for our companies during the year, with Demag Cranes, Tognum AG and Metorex as examples. Our investment philosophy is proficient at identifying takeover targets (undervalued companies with strong free cash flow and low debt levels). We have also seen some sector M&A activity (i.e. takeover of a competitor in the industry) in the fourth quarter and this helped to boost CRH's valuation as two of its biggest competitors merged.
- Company-specific deterioration led to some sell decisions. However, most stocks retained their business strengths, but were punished by third quarter deterioration in macro-economic conditions and country- or sector-specific events. While we remain focused on the fundamentals and resist the emotional content of volatile markets, we are mindful of broader trends that might have a detrimental effect on future cash flows of some companies.

PERFORMANCE ANALYSIS

Financials were the top contributor to performance this quarter, with many of the U.S. bank holdings in the portfolios posting double-digit returns. Webster Financial's success can be attributed to its third quarter 2011 earnings, which included a substantial increase in consolidated net income, nearly doubling the income from the prior comparable quarter, while reducing loan and lease loss provisions. Similarly, Independent Bank Corp. saw returns greater than 25%, after producing strong third quarter results. In mid-October, Ameris Bancorp reported $15.6 million in net income for the September 30, 2011 quarter end, with profitability and credit quality improvement for the fourth consecutive quarter, decreasing problem assets and the completion of its seventh and eighth FDIC-assisted acquisitions.

In general, U.S. banking problems started in 2008-2009. For the last three-plus years, U.S. banks have been recapitalizing and problem solving to the extent that the sector seems to have reached an inflection point, with new problems abating and earnings trending upward. U.S. banks entered problems earlier and are two to three years ahead of their European counterparts, as many foreign countries are now beginning to recognize problems related to sovereign debt and refinancing constraints. Cognizant of this timeline, the portfolio reduced its weighting in European financials over the past few years, and as a result, European financials had a lesser impact on portfolio performance. As we have done with U.S. financials, we will monitor the situation in Europe, and as the crisis resolves, we will attempt to time our entry back into European financials on a judicious basis.

In healthcare, Questcor Pharmaceuticals achieved double-digit returns as Acthar prescriptions rose for treatment of multiple sclerosis and nephrotic syndrome. Questcor's management decision to increase its sales force from 20+ people to 85 currently after FDA approval in late 2010 is now beginning to produce results; new sales generation and physician prescriptions have begun offsetting overhead and salaries. The full potential of these sales professionals has yet to be realized, which indicates a promising company story for 2012. Quest Diagnostics' stock price increased after announcing that (1) the CEO will be stepping down in six months time, with a planned transition process in place; and (2) in an effort to demonstrate the company's shareholder-friendly status, the company raised the quarterly dividend to $0.17 per share, a 70% increase from the prior quarter's dividend.

Insurers UnitedHealth and Wellpoint posted positive returns, as the new trend toward higher deductible plans caused healthcare patients to be more economical in use of medical services. Medical cost ratios are lower, which helped to control premium and medical costs for their customers and the insurance companies.

The global portfolio's consumer discretionary holdings were buoyed by children's apparel marketer Carter's Inc., which reported strong revenue growth and market share gains in the third quarter. The abnormal spike in cotton prices in 2010 fell back in 2011. Carter's solid brand name in baby clothing helped its pricing power and profitability even when raw material prices experienced volatility.

British homebuilders continued a modest upward trend after reporting better than expected third quarter results. In particular, Barratt stock rose on news of a 25% increase in confirmed order books for 2012. This followed on the sub-industry's strong performance in the first half of 2011, as Taylor Wimpey, Bellway, Barratt and Persimmon capitalized on U.K. new home price stability due to increased production of single-family residences coupled with low interest rates. We believe these stocks remain undervalued, at 60-70% below their 2007 peaks. As cash flow generation picks up and earnings improve, investors will regain confidence in this sector and we expect to see a recovery in stock prices.

A confluence of events boosted the fourth quarter returns of Irish building materials group CRH. First, the company reported strong third quarter sales; second, strong index fund buying increased the stock price when the company was included in the London FTSE Index; and third, the stock gained on news of Martin Marietta's hostile takeover bid for the larger gravel, sand and stone supplier Vulcan Materials. The bid of $4.74 billion in stock was an unexpectedly high valuation on cash flow, making CRH's valuation look attractive.

Among other materials sector holdings, Praxair Inc., the largest industrial gas supplier in North America, announced third quarter revenues increased by 14%, with solid growth in all geographies except Europe. The company declared a $0.50 per share dividend, and announced a spree of synergistic acquisitions throughout the quarter, all of which pointed to growth in the industrial gases market worldwide. Reversing a trend from last quarter, German perfume oils and food flavorings producer Symrise AG had positive double-digit returns as consumer spending rose, and raw material inflation stabilized, albeit at a high level. Symrise's decision to raise prices early in 2011 was well timed.

In industrials, shipping companies were negatively impacted by news of subdued economic growth and the possibility of recession in some countries. Shipping and trading volumes usually grow at a factor above GDP growth; when GDP growth dropped (or looked to turn negative) due to the European debt crisis, expectations were lowered for shipping rates. Additionally, China announced new ship builds, adding a glut of supply to an already weak sector. As a result, we sold Japanese shipping company Nippon Yusen during the quarter.

Italy's foundation and drilling services company Trevi Finanziaria produced good results but its stock price suffered as reports circulated that a competitor might win the Mosul Dam project in Iraq. Trevi was quick to point out that the contract had yet to be officially awarded, but the stock reacted nonetheless. Exacerbating the situation, two of Trevi's competitors announced profit warnings for the fourth quarter. Investors may not have taken into consideration Trevi's differentiating business model that includes an oil service division operating at full capacity and delivering as many rigs and services as it can manufacture. Additionally, Trevi had been awarded more than $28 million in new Middle East contracts and another $38.5 million in works in Africa, Asia-Pacific, Argentina, Puerto Rico and Iraq during the fourth quarter.

Telecommunications holdings were another detractor from performance. Although executing a seamless integration with Verizon, Frontier Communications announced a third quarter revenue decline, with investors worried about the dividend payout. We bought this company with the understanding that rural telephone lines are not a high growth, but rather necessity-based, business but the amount of cash flow would be able to sustain the restructuring. We believe that the synergies realized from the merger will ultimately provide cost reductions to offset declines in rural line use. Among other telecommunications holdings, Verizon Wireless announced a deal in December whereby three cable companies will sell wireless spectrum to Verizon for $3.6 billion. The deal included an agreement by the parties to cross-sell bundles of wireless, phone, cable-TV and Internet products. Verizon Wireless, which has 91 million wireless customers, intends to use the additional spectrum to boost capacity of its network for phones and tablets. The stock responded positively (up 10% for the quarter) on the news.

CURRENT ASSET ALLOCATION

We sold Kansai Electric Power (KEPCO), Japan's second largest electric utility, after completing a study balancing greater use of fossil fuel against cheaper nuclear fuel. KEPCO had the highest ratio amongst its peers of electric power sourced from inexpensive nuclear energy. The political and public outcry since the tsunami changed the operating environment, with the Japanese government preventing the restart of nuclear plants after shutdown for scheduled maintenance, pending further safety studies. KEPCO's profitability will be disproportionately impacted if it must shift from a high proportion of low-cost nuclear power to more expensive fossil fuels.

We sold SK Telecom, Korea's largest wireless phone operator, after their decision to buy a 21% stake in Hynix Semiconductor. We believed the acquisition was a poor use of cash flow, as questions remained about Hynix's commodity semiconductor products, worsening conditions in its prime dynamic random-access memory applications and potential stumbling blocks in the post-acquisition integration.

While we did not add new positions this quarter, we increased our positions in some promising holdings, most notably Infosys, an Indian global technology services company. As big business ramps up capital expenditures in 2012, modernization of IT infrastructure is expected to be a big ticket spend. Infosys is a prime player in this market, and may capitalize on this trend. The weak Indian Rupee should boost its cost position.

Our research pipeline has identified a significant number of global companies trading at attractive valuations. We are very optimistic about the companies currently appearing in our screens, and continue to conduct extensive on-the-ground research of stock candidates. We expect to add new positions in 2012, attempting to carefully time our entry into markets to capture upside potential.

The following table shows the asset allocation for a representative global portfolio as of December 31, 2011.

	MSCI World Weight	Portfolio Weight	Energy	Utilities	Materials	Industrials	Consumer Discretionary	Consumer Staples	Health Care	Financials	Information Technology	Telecom. Services	Cash
N. America	*57.84%*	*38.72%*	*1.29%*	*3.18%*	*2.89%*	*3.67%*	*1.85%*	*3.19%*	*7.35%*	*9.05%*	*3.18%*	*3.07%*	*0.00%*
Japan	*9.11%*	*7.90%*	*0.00%*	*0.00%*	*1.48%*	*0.65%*	*0.00%*	*4.49%*	*0.00%*	*0.00%*	*0.00%*	*1.28%*	*0.00%*
Other Asia	*5.56%*	*7.44%*	*1.23%*	*0.53%*	*1.50%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.79%*	*3.39%*	*0.00%*	*0.00%*
Europe & Middle East	*25.01%*	*25.96%*	*1.07%*	*0.00%*	*6.75%*	*1.02%*	*6.78%*	*0.92%*	*3.27%*	*3.91%*	*1.00%*	*1.25%*	*0.00%*
Scandinavia	*2.49%*	*8.05%*	*0.00%*	*0.00%*	*0.00%*	*3.39%*	*0.78%*	*0.00%*	*0.00%*	*3.88%*	*0.00%*	*0.00%*	*0.00%*
Africa & South America	*0.00%*	*2.46%*	*1.66%*	*0.00%*	*0.80%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*
Cash	*0.00%*	*9.47%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*9.47%*
Portfolio Totals		100.00%	5.25%	3.71%	13.42%	8.72%	9.41%	8.60%	10.62%	17.63%	7.56%	5.60%	9.47%

Table may not cross foot due to rounding.

INVESTMENT ENVIRONMENT AND STRATEGY

Although we tire of reiterating the same message, we remain convinced of our "mixed" global economic outlook. This is not an economy where all sectors and all countries are growing simultaneously. Juxtapose the strength of the U.S. energy sector (boosted by shale gas) with U.S. homebuilders, which stagnate under foreclosures. We see no reason to change our outlook in the face of concerns about sovereign debt and financing problems experienced worldwide. These problems took years to accumulate, and we believe that they will not be resolved over a short period of time.

However, there is an underlying base of solid demand and economic growth in emerging countries and the U.S. Nearly 40% of the world's equity capital comes from the U.S., with strong GDP growth from BRIC countries (Brazil, Russia, India and China). We expect that strength in the U.S. will provide the impetus to recovery in developed foreign markets.

In meetings with hundreds of companies during the past year, we witnessed pessimistic attitudes evolved into slightly positive projections, based on resumption of modest demand and growth in emerging countries and the U.S. When people receive their paychecks, most of that money will be spent on mortgage/rent, food, utilities and some discretionary items like cell phone bills and clothing. That base of demand won't go away, and in fact, we believe that retail demand is marginally growing in the U.S., with stronger growth in emerging countries.

Demand is also evident on the commercial side, with big businesses renewing capital expenditures on product raw materials, research/development and sales/marketing. In fact, capital expenditure spending may go higher, as corporations are reinvesting their cash flows to further develop their businesses.

However, negative news at the macro level will continue to permeate many markets, particularly in the first half of 2012, producing mispriced stocks and buying opportunities. We have recently increased our cash position in order to buy into this longer-term economic story at lower prices.

Our investment outlook is that equity and bond markets will not see smooth sailing in the short term. Rather than be surprised and react emotionally to bad news, we encourage investors to capitalize on markets declines, using these periods to dollar cost average and rebalance existing portfolios or add new funds.

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.