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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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FOURTH QUARTER 2021 GLOBAL EQUITY COMPOSITE COMMENTARY

POLARIS CAPITAL MANAGEMENT, LLC

Information presented is supplemental to the annual composite report.
To view, please visit: www.polariscapital.com/global-equity/

GLOBAL EQUITY COMPOSITE COMMENTARY

	2021					Annualized as of December 31, 2021				
	YTD	QIV	QIII	QII	QI	1 Yr	3 Yrs	5 Yrs	10 Yrs	Since 9/30/1984
Polaris Global Equity Composite gross	**16.93%**	**2.87%**	**-0.78%**	**2.96%**	**11.26%**	**16.93%**	**15.66%**	**10.78%**	**12.55%**	**12.19%**
Polaris Global Equity Composite net	**16.35%**	**2.75%**	**-0.90%**	**2.83%**	**11.12%**	**16.35%**	**15.10%**	**10.23%**	**12.01%**	**11.35%**
MSCI World Index, gross dividends reinvested	22.35%	7.86%	0.09%	7.89%	5.04%	22.35%	22.30%	15.63%	13.30%	10.53%

Composite returns are preliminary. Past performance is not indicative of future results.

Global equity markets rallied in the fourth quarter, recovering from tepid third quarter results, and capped off a strong 2021 despite the headwinds of COVID-19, supply chain challenges and interest rate uncertainty. The MSCI World Index returned 7.86% for the quarter, while the Polaris Global Equity Composite gained 2.87%. The Composite's significant underweight in a robust U.S. market was the primary reason for underperformance, along with lackluster results from economically-sensitive holdings in the U.K., Switzerland, Canada and France. At the sector level, double-digit returns were exacted in health care and utilities, with slight underperformance, albeit mostly positive results, in all other sectors.

When comparing performance to the benchmark, we rarely discuss the actual components of the MSCI World Index; this quarter deserves greater analysis. Nearly 90% of the MSCI World Index is comprised of large and mega cap stocks (market cap greater than $15 billion), with FAANGs at the top (Meta (Facebook), Amazon, Apple, Netflix and Alphabet (Google)), along with a smattering of other well-known names. The Polaris Global Equity Composite portfolio is far more diversified, with a 50-50 split between large-cap stocks and small-/mid-cap stocks. In a quarter when U.S. large-caps dominated, the MSCI World Index had a natural edge over the Composite portfolio.

Eight of the top 10 contributors to portfolio performance were from the U.S., with the vast majority in the healthcare sector, led by UnitedHealth Group Inc, Anthem Inc, AbbVie Inc., United Therapeutics and CVS Health Corp. South Korean semiconductor company SK Hynix was the top overall contributor, up more than 25% as DRAM memory chip prices stabilized and inventory dwindled. U.S. semiconductor chip distributor Arrow Electronics was up as customers became increasing reliant on Arrow to procure chips in a challenged supply-demand environment. Detractors included theater operators, Cineworld Group and Cinemark Holdings, Canadian methanol producer, Methanex, Japanese beverage distributor, Asahi Group Holdings and Crocs Inc.

FOURTH QUARTER 2021 PERFORMANCE ANALYSIS

The Composite's healthcare holdings boosted portfolio performance, with the sector up nearly 14% for the quarter. Chief among the stocks was UnitedHealth Group Inc., which hosted a capital markets day on November 30. The insurer guided for double-digit earnings for the foreseeable future, while discussing the expansion of its value-add provider network. Anthem Inc. posted strong top- and bottom-line results, citing strong membership growth, with new government business enrollments up 18% year on year, as well as a good medical loss ratio and cost realizations. CVS Health Corp. also had an upbeat capital markets day during the quarter, projecting high single-digit earnings built around their fully integrated health care provider network and investment in primary care services. Biopharma company AbbVie released strong results on commercialization of a number of blockbuster drugs, including rheumatoid arthritis script RINVOQ, as well as its Allergan aesthetics business. United Therapeutics' FDA resubmission of pulmonary hypertension inhaler, Tyvaso DPI, was favorably received by the market and is expected to be approved by mid-2022. In contrast, Fresenius SE, the German healthcare company providing outpatient kidney dialysis services, declined after the company acknowledged that COVID-19 hampered patient services and increased mortality rates among its immunocompromised patient base.

Financials were the second largest contributor, partially due to the 21% portfolio weighting. Nearly all financial holdings were in positive territory, with several capturing double-digit stock price gains including Toronto-Dominion Bank (TD Bank) and Sparebank 1 SR. Canada-based TD Bank announced robust quarterly results on the back of higher domestic consumer spending and a resilient housing market; the bank also noted margin expansion in its U.S. retail business. Canada's banking regulator lifted pandemic-related restrictions that prevented the country's banks and insurer from raising dividends or conducting share buybacks. With this news, TD Bank has already signaled its intention to resume both practices. Positioned in a very resilient Norwegian economy, Sparebank 1 SR reported higher loan growth in a solid housing market, as well as lower quarter-over-quarter impairments and operating costs.

In the information technology sector, SK Hynix noted firming DRAM prices, which should lead to favorable contract prices. SK Hynix's acquisition of Intel's NAND business closed and will be put into a separate U.S. subsidiary called Solidigm. Arrow Electronics completed a stellar year as demand for their semiconductor and electronic component distribution services remains exceptionally high. Microsoft had double-digit returns after reporting good earnings across all divisions. Microsoft continues to benefit from the work-from-home trend, with Microsoft Office and cloud-based business Azure still seeing traction. Microsoft's management has commented that "digital technology is a deflationary force in an inflationary economy", pointing to their cloud business; this falls in line with Polaris' thesis on the stock, and the tenets of Moore's Law.* Brother Industries was the only detractor of note, even though it reported firm third quarter results and revised guidance upward. Concerns arose about temporary shutdowns due to part shortages, as was the case at Brother's Vietnam factory in December; a waning work-from-home customer base as workers returned to offices and logistics headwinds.

Double-digit gains from Taylor Wimpey PLC, Sony Group Corp. and Inchcape PLC buoyed the consumer discretionary sector. British homebuilder Taylor Wimpey rose after the retirement of the company CEO coincided with a new activist shareholder calling for a number of changes, both managerial and operational. The activist asserted that value could be unlocked through a refocused strategy away from large sites, leading to higher operating margins, more in line with their peers. Polaris is not supportive of the activist's research conclusions. Sony Group and Taiwan Semiconductor Manufacturing Company entered into a joint venture to build a new $7 billion fab facility in Japan, with the goal of mass-producing chips in that facility by 2024. This venture is expected to smooth out the supply of critical image sensor chip components for Sony products and other electronics makers. Sony also reported strong quarterly results across all business lines: electronic goods, image sensors, music & publishing and gaming (PlayStation). Crocs Inc. declined more than 10% this quarter after announcing the acquisition of Hey Dudes, a casual footwear company with a loyal customer following. Crocs' management explained the deal as a reasonably-priced combination of two high growth, unique offerings; investors remain skeptical of the deal synergies.

Returns in both material and industrial sectors were moderate, aptly described as "barbell", with some of the best and worst performers in the portfolio. Within materials, Berry Global Group Inc. and Linde PLC both gained in excess of 18% for the quarter, while Canadian methanol producer, Methanex, dropped nearly 14%. Plastics packaging company Berry Global reported impressive quarterly results, with revenue up 22%, free cash flow increased by 32% and strong organic growth across all business segments. The company ranked 35th among "America's Most Responsible Companies of 2022" list by Newsweek, drawing the attention of ESG investors. Linde's streak of operational and financial excellence continued as volumes and prices rose, leading to healthy quarterly sales coupled with margin improvement. Three years post the merger with Praxair, the combined firm continued to deliver value to shareholders. While methanol prices are still at very good levels, Methanex is facing some challenges including: the Geismar 3 expansion although it is coming in better than budget; softer Chinese demand for methanol-to-olefins; and production issues in New Zealand and Trinidad.

In industrials, Marubeni Corp. and Bunzl PLC were up 17% and 19% respectively, as both reported good September quarter numbers. Babcock International Group drained some of these gains, down nearly 14% for the quarter. Diversified trading conglomerate Marubeni revised up net income guidance for 2022, as the inflationary environment has been beneficial for its food, agriculture, metals and mining businesses. Impairments overhanging the stock were addressed, while management raised EPS guidance and considered a share buyback; the market reacted positively to this news. British distribution/outsourcing company Bunzl cited higher sales and margins, as its health care and cleaning businesses continue to be in high demand during the pandemic. Planning for a post-COVID world, Bunzl's management outlined a constructive strategy helping customers and suppliers move towards more sustainable products. Conversely, U.K. defense company, Babcock International, declined on news that the U.K.'s Competition and Markets Authority is considering launching an anti-competition probe surrounding CHC Group's acquisition of Babcock's oil-and-gas business. Otherwise, Babcock's business remains solid, with a trading update that met analyst expectations, and the completion of the Frazer-Nash Consultancy sale, which will allow the company to pay down debt.

The communication services sector detracted most from gains, with two theater operators under pressure. Box office numbers were strong for blockbuster, Spider-Man: No Way Home; however, most other titles did not live up to expectations. The Omicron variant dampened further upward projections, as concerns swirled about new restrictions and lockdowns. Many investors wary of continued COVID-19 induced volatility sold the names. Cineworld has not only been wrestling with the pandemic for the past 18 months, but it has also been embroiled in a legal fight with Cineplex, a Canadian theatre operator. Cineworld had agreed to acquire Cineplex shortly before the pandemic. Following the outbreak, the deal was terminated, with Cineplex claiming rights to break-up fees. Following a lengthy court battle, the judge ruled in favor of Cineplex with a $900 million judgment, which Cineworld will appeal.

Among other detractors were stocks in the consumer staples sector including Japanese beverage company Asahi Group Holdings and U.K.-based food-to-go firm Greencore Group. These stocks lost ground on high commodity and other input cost inflation, logistical challenges, labor shortages and ongoing COVID-19 waves that tempered product demand. Neither have been able to pass on price increases to the consumers yet, although both companies are making headway in this effort.

During the quarter, the Composite exited three companies: South Korean tobacco/ginseng company, KT&G Corp., Thai bank, Siam Commercial, and U.S. based utility, Allete Inc. KT&G's performance has been lackluster as the company struggled to expand outside of its traditional domestic tobacco business, and its heat-not-burn product failed to gain widespread adoption. Siam Commercial was sold at a profit, as the stock jumped on the bank's fintech and other business reorganization plans. Utility companies, NextEra and Allete, performed well as investors fled to safety in the sector; we took this opportunity to sell out of Allete at a premium, as we questioned the company's forward rate contract negotiations. We replaced this richly-valued utility stock with U.S. logistics/e-commerce transporter, Fed-Ex, a company with better risk-adjusted returns that fell into value territory in August 2021. The stock price dropped 25% as third quarter earnings were impacted by air freight inefficiencies and labor shortages; we believe both these issues are manageable and presents an attractive entry point for a company with a nice secular tailwind. Another new buy, Allison Transmission is the global leader in supplying a fully automatic transmission within medium to heavy-duty trucks. Allison is also investing in electrified propulsion and power management systems and has already won content on new platforms with its eGen Flex and eGen Power technology. FlatexDegiro, a pan-European online brokerage business with a dominant market share, was also purchased. The company is one of the fastest-growing online brokerage businesses in Europe, with more than 1.75 million customers with a wide range of products and competitive pricing.

The table reflects sector/regional allocation for a representative global equity portfolio as of December 31, 2021.

	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	*72.3%*	42.0%	2.5%	1.0%	3.6%	4.2%	4.0%	2.1%	8.0%	10.3%	4.3%	2.1%	0.0%	0.0%
Japan	*6.2%*	8.7%	0.0%	0.0%	0.5%	1.3%	2.2%	0.8%	0.0%	0.9%	1.1%	0.8%	1.1%	0.0%
Other Asia	*3.1%*	9.8%	0.0%	0.0%	0.0%	0.9%	3.2%	0.0%	0.0%	1.6%	3.2%	0.9%	0.0%	0.0%
Europe	*16.1%*	26.3%	0.0%	0.0%	6.6%	3.6%	6.0%	0.7%	2.5%	3.7%	0.0%	3.2%	0.0%	0.0%
Scandinavia	*2.3%*	6.7%	0.0%	0.0%	1.3%	1.5%	0.3%	0.0%	0.0%	3.6%	0.0%	0.0%	0.0%	0.0%
Africa & South America	*0.0%*	2.0%	0.0%	0.0%	1.1%	0.0%	0.0%	0.0%	0.0%	0.9%	0.0%	0.0%	0.0%	0.0%
Cash	*0.0%*	4.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	4.3%
Portfolio Totals		100.0%	2.5%	1.0%	13.1%	11.5%	15.6%	3.7%	10.5%	21.0%	8.6%	7.1%	1.1%	4.3%
MSCI World Weight	*100.0%*		*3.1%*	*2.7%*	*4.2%*	*10.2%*	*12.3%*	*6.9%*	*12.6%*	*13.2%*	*23.7%*	*8.3%*	*2.8%*	*0.0%*

Table may not cross foot due to rounding.

2021 YEAR IN REVIEW

COVID-19 continued to roil markets throughout the year, as the Delta and Omicron variants weaved across the globe, with developed and emerging countries navigating uneven vaccine distribution. Yet markets were fairly resilient throughout, with sizeable gains in all but the third quarter of 2021. For the year ending 2021, the MSCI World Index returned 22.35%, while the Composite was up 16.93%. Mirroring fourth quarter commentary, the Composite underperformed due to a sizeable underweight in a strong U.S. market driven by growth stocks, as well as subpar performance from a handful of holdings in out-of-benchmark countries. Strong portfolio results were noted in select holdings from Finland, France and Norway. The Composite saw gains of 20% or more in energy, consumer discretionary, health care and financial sectors, partially offset by modest returns in communication services, materials and information technology.

Pandemic-induced volatility presented opportunities to further enhance the valuation of the portfolio with the addition of new investment ideas that fell into value territory on short-term swings. A prime example would be Fed-Ex, which we discussed above, as well as other holdings in Lundin Mining, Marubeni, Allison Transmission and more. In fact, we purchased more than a dozen new companies during the year that we believe have strong upside potential, while selling those that were more richly priced. We exacted healthy profits from the vast majority of our sales, including Allete, Verizon Communications, Tapestry Inc., Ameris Bancorp and Valmet OYJ, to name a few.

INVESTMENT ENVIRONMENT AND STRATEGY

The ultimate recovery from the pandemic continues to drag out, with developing countries rebounding at a much slower rate than developed countries where vaccination rates are higher. The Omicron variant added another wrinkle to the recovery; however initial analysis shows that despite the increased virulence, severity appears less with fewer hospitalizations and fatalities. This supports the thesis that we are moving from a pandemic to an endemic disease, with a congruent lessening economic impact.

Certain inefficiencies remain, either because labor rates are higher or absenteeism is greater, hurting peak efficiency at many companies. Others are extremely lean and well run, but depressed because of volatile economic activity and supply chain challenges, all of which are holding back stock prices and valuations. These labor issues, shortages, and supply/demand imbalances are translating into higher input prices. Notwithstanding our long-held observations that we have been in a longer-term deflationary market, short-term inflation will persist until global economic competition returns. Inflation should help many of our portfolio companies and we're clearly seeing almost all the companies able to raise prices and ultimately cash flow. In particular, the financial sector should benefit from this trend. Assuming that inflation doesn't hurt low loan performance and credit quality, it should help banks' net interest margins. Materials companies and many of the low-cost producers that are hallmarks of the Polaris portfolio should benefit nicely as they adjust prices upward and add to margins. In some cases, margin adjustments may take time to develop since selling price increases may lag cost increases.

We have anticipated many of these trends and believe that our portfolio is largely positioned to avoid the negative impact and hopefully benefit from the coming changes in the world economy. Our research pipeline remains active, as we capitalize on pockets of volatility driven by COVID waves, supply chain disruptions, etc. to purchase undervalued companies. We expect the opportunity set to be fruitful in 2022. The challenge is waiting for the recovery to transpire and drive realized value of our existing holdings. This will allow us to make room for new holdings in our portfolio and act on the many attractive ideas coming through our screens.

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. One cannot invest directly in an index.

**Moore's Law: In 1965, Gordon Moore stated that computing would dramatically increase in power/speed and decrease in relative cost at an exponential pace. In the literal sense, Moore perceived that the number of transistors on a microchip doubles every two years, though the cost of computers is halved.*