

# Polaris

## Global Value Fund

Dear Fellow Shareholder,

January 25, 2010

For the year ended December 31, 2009, the Polaris Global Value Fund (“the Fund”) returned 35.46%, outperforming the MSCI World Index, which returned 29.99%. Detracting from even stronger annual performance, the Fund’s fourth quarter return of 1.13% was below the benchmark, which advanced 4.07%. Fourth quarter underperformance was attributable to lackluster financial and consumer discretionary stocks. However, the Fund achieved healthy contributions from industrials and materials companies.

The following table summarizes total returns through December 31, 2009.

						As of December 31, 2009					
	YTD	QIV	QIII	QII	QI	1 Yr	3 Yrs	5 Yrs	10 Yrs	15 Yrs	ITD*
<b>Polaris Global Value Fund</b>	<b>35.46%</b>	<b>1.13%</b>	<b>21.98%</b>	<b>31.35%</b>	<b>-16.40%</b>	<b>35.46%</b>	<b>-11.21%</b>	<b>-0.74%</b>	<b>5.76%</b>	<b>9.81%</b>	<b>8.78%</b>
MSCI World Index, net dividends reinvested	29.99%	4.07%	17.45%	20.75%	-11.92%	29.99%	-5.63%	2.01%	-0.24%	6.02%	5.52%

\*Inception-to-date

*Performance data quoted represents past performance and is no guarantee of future results. Current performance may be lower or higher than the performance data quoted. Returns for more than one year are annualized. Investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than original cost. For the most recent month end performance, please call (888) 263-5594 or visit the Fund's website at [www.polarisfunds.com](http://www.polarisfunds.com). As stated in the current prospectus, the Fund's annual operating expense ratio (gross) is 1.43%. Quarter end expense ratio is 1.24%; this ratio is based on amounts incurred during the most recent quarter, divided by the average assets for the period multiplied by 365 and divided by the number of days in the quarter. Shares redeemed or exchanged within 180 days of purchase will be charged a 1.00% fee. Fund performance returns shown do not reflect this fee; if reflected, the returns would have been lower. See pages 5&6 for additional disclosure.*

*The recent growth rate in the stock market has helped to produce short-term returns that are not typical and may not continue in the future. Because of ongoing market volatility, fund performance may be subject to substantial short-term changes.*

The table above shows that the Fund’s long-term performance has exceeded benchmark returns with lower market risk, as measured by the beta statistic of 0.91 since the Fund’s inception (volatility measurement relative to the MSCI World Index). It is worth noting that the Fund’s beta increased during 2007 and 2008 as the beta of many holdings increased substantially along with overall market volatility.

Strong annual results can be attributed to pre-crisis stock picking and the decision to hold and add to investments in 2009, many of which had declined substantially in 2008. We maintained a calm, disciplined approach during the downturn, recognizing that declines in fundamentally strong portfolio companies with good cash flows and positive business conditions would not persist. During 2009, the majority of Fund holdings rebounded dramatically, with 21% of portfolio companies’ stock prices doubling in value.

The year 2009 marked the end of the first decade of the new millennium. It was an inauspicious start as 2000-2009 was the worst decade since 1900 (110 years) for U.S. equities and the second worst for global equities. With annualized returns of 5.76% during the decade, the Fund outperformed the -0.24% return for the MSCI World Index. More indications of the Fund’s long-term outperformance versus various benchmarks are evident in the chart below. The Fund’s success may be credited to strong bottom-up stock picking, as our research identified fundamentally-strong industrials, materials, energy and other companies that not only weathered difficult operating conditions, but thrived by addressing demands from emerging markets.

	US-CPI	US-TBills	US-Bonds	US-Equity	World-Equity	EAFE-Equity	<b>Polaris Global Value Fund</b>
1990 - 1999	2.9%	4.6%	8.1%	19.0%	12.0%	7.3%	<b>12.4%</b>
2000 - 2009	2.5%	2.7%	6.0%	-1.5%	-0.2%	1.4%	<b>5.8%</b>

*All returns are in nominal terms.*

*Source: US CPI: The Wall Street Journal; US TBills: The Wall Street Journal; US Bonds: Barclays Capital US Aggregate Bond Index; US Equity: MSCI USA Index; World Equity: MSCI World Index (gross dividends reinvested); EAFE Equity: MSCI EAFE Index*

The BRIC countries (Brazil, Russia, India, China) played a larger role in the global markets. Many of these countries first entered the market economy at the end of the 1990s, starting from a low base and undervalued assets not priced by investors. The past 10 years saw these countries' markets revalued upwards substantially from their debut, with China, India, Russia and most Latin American countries tipping into double-digit annualized returns.

#### FOURTH QUARTER 2009 PERFORMANCE ANALYSIS:

During the fourth quarter, the Fund was bolstered by materials, healthcare, industrials and energy holdings. Smurfit Kappa Group, the Irish producer of cardboard boxes, remained one of the most undervalued materials companies in our portfolio. The slow improvement in economic conditions highlighted the company's business model as having less downside risk and more upside potential. The unexpected third quarter recovery, which continued into the fourth quarter, in chemical markets saw this sector rebound with firming demand aiding performance of BASF SE and Methanex Corporation. Metals companies experienced strong growth, mainly due to demand for raw materials in China. In fact, the supply/demand situation in many commodities remains tight due to emerging country growth and development.

Industrial holdings with strong order books and service business components performed well, including Kone OYJ, Andritz AG and Ametek Inc. Repair and service activities typically provide stable margins and sustainable cash flow even in the worst of economic conditions; this helped several portfolio companies in 2009. Meetings with various companies' managers indicated that third quarter 2009 results appear to mark the bottom of the economic cycle; many industrial companies expected fourth quarter business to improve. Camillo Eitzen & Co., an international shipping company, experienced an 88% stock boost on news of a buyout offer from an Indonesian company.

Defined as a "defensive sector", the Fund's healthcare stocks outperformed the sector benchmark with all but one holding posting double-digit returns. The sector profited from a relief rally as it became clear that the government-proposed health insurance program was less threatening to the Fund's healthcare insurance holdings.

In energy, France's Technip SA continued to benefit from news of a Saudi Arabian refinery order. The decline in construction costs is motivating some national and private oil companies to renew exploration and development work, which may bode well for energy holdings.

The two main deterrents to better performance were financial and consumer discretionary stocks. The Fund's smaller U.S. bank holdings (unfettered from subprime problems) have not recovered on scale with financial institutions that survived due to government intervention. The Fund experienced mixed results among U.S. regional banks, with some in Texas and Oklahoma emerging as strong performers, while others in Georgia languished. We believe that fundamentally-strong smaller banks will experience a more robust rebound in 2010. We are already seeing signs of recovery, as healthier banks are emerging as strong performers, ranging from Astoria and International Bancshares in the U.S. to Svenska Handelsbanken, a Swedish bank that resisted overly aggressive lending policies and is now usurping market share from competitors. Ameris Bancorp rebounded from previous lows, posting a relatively strong return as it acquired two banks in FDIC-assisted deals. Virtually all banks the Fund owns may participate in FDIC assisted deals – a potential boon for the acquiring banks.

Bank of Ireland, a strong performer throughout the year, retrenched in the fourth quarter, due to uncertainty about the company's participation in a government sponsored bailout plan. In the U.K., Lloyds TSB Group issued a rights offering to raise capital, which had a negative impact on its stock price during the offering period. Lloyds successfully completed the £13.5 billion rights issue in mid-December, using the proceeds to increase its capital base and to effectively keep the U.K. government from taking a controlling stake.

In the consumer discretionary sector, Barratt Developments issued a £720 million rights offering in September. The U.K.'s second-biggest homebuilder is seeking the money to cut its debt and take advantage of cut-price land deals. This action depressed the company's stock price in the short-term. Other U.K. homebuilders were affected by Barratt's announcement, contributing to a decline among all U.K. homebuilders. In positive territory, Duni AB and Autoliv Inc. produced double-digit returns, as both offer good values with improving fundamentals.

## FULL YEAR 2009 PERFORMANCE ANALYSIS:

Avoiding the pitfalls of investor panic and the drive to conservative investments, we carefully analyzed our portfolio by selling challenged companies in favor of long-standing fundamentally strong holdings. Maintaining our strict value strategy allowed us to execute purchases in a volatile first quarter 2009, many of which thrived by year-end.

Two examples of this purchase strategy were Novartis and Infosys Technologies. Novartis is a successful Swiss pharmaceutical and healthcare products company with a franchise in cardiovascular and oncology drugs. A high percentage of recent sales are from drugs developed in the past two years, and the influence of the faster growing emerging markets is having a favorable influence on results. Selling at an unusually low price to maintenance cash flow, the addition of Novartis added substantially to the diversification of the portfolio. Since purchasing the stock in the second quarter 2009, the stock has risen more than 30%.

Infosys is an Indian company that is a well known leader in global information technology solutions. Essentially a provider of outsourced IT services to hundreds of companies both large and small throughout the world, its IT services deal with the entire range of issues that confront large companies: conception, design, development, engineering, maintenance, integration and operation. The company has enjoyed a fast rate of earnings and cash flow growth, but the worldwide economic crisis temporarily depressed revenue and earnings. An accompanying stock price decline provided an excellent opportunity to invest in a company likely to benefit from the resumption of growth expected in 2010 and beyond. Since purchasing the stock in the second quarter 2009, this holding has risen over 95%.

We continue to cultivate a diversified portfolio that may withstand volatility. For the year ended December 31, 2009, positive returns were broad-based, with sector benchmark outperformance in industrials, materials, consumer discretionary, consumer staples, energy, healthcare and IT.

In the materials sector, the Fund profited from its investment in commodities (copper, coal, iron ore), which have experienced a tighter supply/demand balance, partially due to increased demand from emerging markets. Stimulus packages in Asia and the U.S. fueled infrastructure activity in both regions, clearly benefitting the Fund's holdings in CRH and other building supplies. Chemical companies, such as BASF, proved to be strong performers as demand renewed somewhat unexpectedly due to large scale production cutbacks in the industry.

Stimulus packages also proved a boon for industrials involved in infrastructure, such as CRH, YIT OYJ, Kone OYJ and Trevi Finanziaria, which won large dam repair contracts in the U.S. In addition, service-based industrial businesses proved resilient, retaining stable margins and sustainable free cash flows. U.S.-based Mac-Gray Corporation saw its stock price appreciate during the year, rebounding after the company's annual meeting and conclusion of a proxy contest. Overall, industrials were the largest contributor to outperformance for the year, with the portfolio's holdings contributing more than 11% to the Fund's return.

Within consumer discretionary, U.K. homebuilders proved nimble in production schedules and reduced supply, which resulted in firmer U.K. housing prices. Additionally, many of these companies reinforced their financial strength to prepare for the resumption of the growth expected in the U.K. housing sector. Interestingly, the U.S. is in a multi-year correction process, but it has taken less than one year for the U.K. housing market to correct. Three of four U.K. homebuilders in the portfolio more than doubled in value during the year, rebounding from large declines in 2008.

When investors ignored consumer staples stocks in favor of cyclical companies in 2009, we saw the opportunity to buy good brand names with stable cash flows at exceptionally good values. Top names on our "watch list", such as The J.M. Smucker Company and Heinz, were purchased in early 2009 and subsequently produced strong returns.

Financials detracted from even better performance, as smaller U.S. banks, not plagued by the mortgage crisis, have fallen in sympathy with the larger industry trends. We expect U.S. banks to be a source of outperformance based on bank valuations, after adjustment for normalized insurance premiums, repayment of high-cost TARP (Troubled Asset Relief Program) funding and post-peak loan losses. As the Fund's holdings in industrials and materials companies have outperformed anticipating economic recovery, it is our belief that bank shares will experience normalized fundamentals long before they appear in reported results.

Defensive holdings, including telecommunications and utilities, proved to be low risk stocks that buffered market volatility in 2008. In 2009, however, investors began selling these off to take more risk in other sectors. Consequently, the Fund's holdings in these sectors were negatively impacted. We will continue to opportunistically identify undervalued defensive names that offer diversification, reduced cyclical exposure and potentially strong returns over the long-term.

The following table illustrates the Fund's summary performance attribution by country and sector.

Country	4 <sup>th</sup> Quarter 2009 %	Full Year 2009 %	Sector	4 <sup>th</sup> Quarter 2009 %	Full Year 2009 %
Finland	0.6	6.6	Industrials	0.6	11.7
United Kingdom	(1.3)	6.0	Materials	1.5	10.0
Ireland	(0.1)	5.0	Consumer Discretionary	(0.7)	8.5
France	0.3	3.8	Energy	0.2	4.0
United States	0.1	2.8	Health Care	1.2	2.6
Sweden	0.7	2.7	Consumer Staples	(0.1)	2.2
Germany	0.4	1.8	Information Technology	0.0	1.3
Canada	0.2	1.5	Utilities	(0.2)	(0.4)
Austria	0.2	1.4	Telecommunications	(0.0)	(0.4)
Australia	0.3	1.3	Financials	(1.5)	(4.0)
Italy	(0.2)	1.2			
Thailand	(0.1)	1.1			
South Africa	0.4	1.1			
Belgium	(0.0)	1.0			
India	0.2	0.8			
South Korea	(0.1)	0.8			
Norway	0.1	0.8			
Switzerland	0.1	0.5			
Spain	n.a	(2.0)			
Japan	(0.7)	(2.6)			
Cash & Equivalents	0.0	0.1	Cash & Equivalents	0.0	0.1
	<b>1.1%</b>	<b>35.5%</b>		<b>1.1%</b>	<b>35.5%</b>

Table may not cross foot due to rounding.

#### FULL YEAR 2009 ASSET ALLOCATION:

During the calendar year 2009, we trimmed holdings in financials, materials and industrials, where analysis revealed deterioration in fundamentals in relation to evolving market dynamics. The shares of geographically diverse banks in Spain and Ireland were liquidated as we remained concerned about worsening economic conditions in both regions. Additional sell decisions were executed throughout the year, as we identified companies expected to be challenged going forward, while retaining companies that suffered short-term cash flow reductions, but which have strong long-term fundamentals. Cash was allocated to new investment ideas and increased weightings in portfolio areas with strong growth potential.

We invested in three new financials, including an Indian bank, a Swedish bank and one eastern U.S. institution. In the materials sector, we added a German flavor and fragrance producer, which sells product to food processors, cosmetics and other consumer staples companies. Within industrials, a fourth quarter investment was made in the third largest chemical transportation company in the world based on number of vessels. The company was previously affected by reduced chemical demand and a new-build commitment that had to be renegotiated. The company sought new funds to bolster its cash reserves and the Fund bought shares at an opportune price. The shares advanced 47% since its discounted offering price on November 27th. We also made initial investments in an Indian information technology company and two consumer staples companies. We continue to see better values overseas; consequently, the Fund remained underweight in North America relative to the World Index. The Fund's Scandinavian and European holdings were weighted greater than the benchmark.

The following table shows the Fund's asset allocation at December 31, 2009.

Polaris Global Value Fund Asset Allocation

	World Market Weighting	Portfolio Weighting	Energy	Utilities	Materials	Industrials	Consumer Discretionary	Consumer Staples	Health Care	Financials	Info. Tech.	Telecom Services	Other	Cash
N. America	53.04%	32.52%	1.26%	2.18%	3.37%	6.72%	0.00%	3.07%	5.31%	9.61%	0.00%	0.99%	0.00%	0.00%
Japan	9.71%	7.36%	0.00%	1.57%	0.67%	1.43%	0.30%	2.40%	0.00%	0.00%	0.00%	0.98%	0.00%	0.00%
Other Asia	5.80%	8.59%	1.73%	0.00%	2.19%	0.00%	0.00%	0.00%	0.00%	1.62%	2.10%	0.95%	0.00%	0.00%
Europe	28.95%	35.45%	2.36%	0.00%	9.57%	5.58%	10.51%	2.14%	1.41%	3.87%	0.00%	0.00%	0.00%	0.00%
Scandinavia	2.50%	13.76%	0.00%	0.00%	0.00%	6.88%	2.66%	0.00%	0.00%	4.22%	0.00%	0.00%	0.00%	0.00%
Africa & S. America	0.00%	2.32%	1.66%	0.00%	0.66%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Cash	0.00%	-0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	-0.01%
Industry Totals		100.00%	7.01%	3.75%	16.46%	20.62%	13.48%	7.61%	6.73%	19.33%	2.10%	2.93%	0.00%	-0.01%
Market Weighting	100.00%		10.93%	4.61%	7.52%	10.43%	9.34%	10.16%	10.07%	20.59%	11.96%	4.41%	0.00%	0.00%

Table may not cross foot due to rounding.

## INVESTMENT ENVIRONMENT AND STRATEGY:

Recent discussions with portfolio companies indicate that the economic recovery is mixed, with industrials and materials experiencing slow growth in North America and Europe and moderate growth in Asia and Latin America. Late-stage companies still expect to see growth for several years. Until the recovery extends to more industries and markets and unemployment is reduced, we expect historically aggressive monetary and fiscal stimulus by central banks and governments around the world to continue. If massive government borrowing creates future inflation, the Fund's holdings in real assets (such as materials and industrials) should provide a hedge. However, we do not claim an ability to accurately forecast macro-economic trends, preferring our long-standing commitment to bottom-up stock picking.

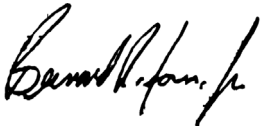
Current bottom-up analysis indicates that many companies are returning to more normalized valuation levels. In fact, there is no better indication of the returning fair valuations than a review of our own Fund. The Fund was at a yearly low on March 9, 2009, subsequently returning 91.06% (cumulative) by year-end (compared to a cumulative 75.22% return for the MSCI World Index). *Past performance is not indicative of future results.*

As fair valuations return, our research team will dig deep to unearth undervalued companies across sectors and countries. We continue to identify a mix of companies poised to benefit from the general market recovery. We see a number of these smaller banking institutions ripe for a rebound in 2010 and beyond. Other undervalued opportunities are pinpointed on a case-by-case basis.

As uncertainty and volatility remain in the global market, we have worked diligently to design a portfolio diversified across sectors and countries, with companies that can continue to generate strong cash flows in various macro-economic environments.

As always, we welcome your questions and comments.

Sincerely,



Bernard R. Horn, Jr.  
Portfolio Manager

Please note: Shareholder statements are now mailed separately from this quarterly commentary. The quarterly commentary and fact sheets are both available prior to the mailing at [www.polarisfunds.com](http://www.polarisfunds.com). The site also provides updates on the Fund's investment outlook and strategy during the current market cycle.

**The Fund invests in securities of foreign issuers, including issuers located in countries with emerging capital markets. Investments in such securities entail certain risks not associated with investments in domestic securities, such as volatility of currency exchange rates, and in some cases, political and economic instability and relatively illiquid markets.** Fund performance includes reinvestment of dividends and capital gains. During the period, some of the Fund's fees were waived or expenses reimbursed. In the absence of these waivers and reimbursements, performance figures would be lower.

On June 1, 1998, a limited partnership managed by the adviser reorganized into the Fund. The predecessor limited partnership maintained an investment objective and investment policies that were, in all material respects, equivalent to those of the Fund. The Fund's performance for the periods before June 1, 1998 is that of the limited partnership and includes the expenses of the limited partnership. If the limited partnership's performance had been readjusted to reflect the second year expenses of the Fund, the Fund's performance for all the periods would have been lower. The limited partnership was not registered under the Investment Company Act of 1940 ("1940 Act") and was not subject to certain investment limitations, diversification requirements, and other restrictions imposed by the 1940 Act and the Internal Revenue Code, which, if applicable, may have adversely affected its performance.

As of December 31, 2009, the Fund's largest equity holdings and the percentages they represent in the Fund's portfolio market value are as follows:

<u>Issuer</u>	<u>Percentage of Total Net Assets</u>	<u>Issuer</u>	<u>Percentage of Total Net Assets</u>
Barratt Developments PLC	2.80%	Christian Dior SA	1.88%
Technip SA	2.36%	CRH PLC	1.85%
Kone Oyj, Class B	2.34%	Smurfit Kappa Group PLC	1.84%
BHP Billiton, Ltd., ADR	2.19%	Bellway PLC	1.81%
Greencore Group PLC	2.14%	The Chubb Corp.	1.75%
Persimmon PLC	2.10%	Symrise AG	1.74%
Trevi Finanziaria SpA	1.98%	Solvay SA	1.74%
Mac-Gray Corp.	1.95%	Thai Oil PCL	1.73%
Methanex Corp.	1.94%	WellPoint, Inc.	1.71%
Taylor Wimpey PLC	1.93%	BASF SE	1.71%

The MSCI World, EAFE, and USA Indexes, net 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. The MSCI World Index is unmanaged and does include the reinvestment of dividends, net of withholding taxes. One cannot invest directly in an index or an average.

The views in this letter were those of the Fund manager as of December 31, 2009, and may not reflect the views of the manager on the date this letter is second published or anytime thereafter. These views are intended to assist shareholders of the Fund in understanding their investment and do not constitute investment advice.

*Before investing, you should carefully consider the Fund's investment objectives, risks, charges and expenses. This and other information is in the prospectus, a copy of which may be obtained by calling (888) 263-5594 or visit the Fund's website at [www.polarisfunds.com](http://www.polarisfunds.com). Please read the prospectus carefully before you invest.*

Foreside Fund Services, LLC, is the Fund's Distributor.

The Fund's annual performance as compared to the benchmark is as follows:

Historical Calendar Year Annual Returns (years ended December 31)

	<u>Polaris Global Value Fund</u>	<u>MSCI World Index</u>		<u>Polaris Global Value Fund</u>	<u>MSCI World Index</u>
2009	35.46%	29.99%	1999	16.50%	24.93%
2008	-46.19%	-40.71%	1998	-8.85%	24.34%
2007	-3.97%	9.04%	1997	34.55%	15.76%
2006	24.57%	20.07%	1996	23.34%	13.48%
2005	10.52%	9.49%	1995	31.82%	20.72%
2004	23.63%	14.72%	1994	-2.78%	5.08%
2003	47.06%	33.11%	1993	25.70%	22.50%
2002	3.82%	-19.89%	1992	9.78%	-5.23%
2001	2.21%	-16.82%	1991	17.18%	18.28%
2000	-5.82%	-13.18%	1990	-11.74%	-17.02%