

# Polaris Global Value Fund

## SEMI-ANNUAL REPORT

June 30, 2010

(Unaudited)

# Polaris

Capital Management, LLC

<http://www.polarisfunds.com>

(888) 263-5594

## TABLE OF CONTENTS

A Message to Our Shareholders .....	1
Performance Chart and Analysis .....	7
Schedule of Investments .....	8
Statement of Assets and Liabilities .....	11
Statement of Operations .....	12
Statements of Changes in Net Assets .....	13
Financial Highlights .....	14
Notes to Financial Statements .....	15
Additional Information .....	21

**POLARIS GLOBAL VALUE FUND**  
A MESSAGE TO OUR SHAREHOLDERS  
JUNE 30, 2010

Dear Fellow Shareholder,

In the first six months of 2010, the Polaris Global Value Fund (“the Fund”) outperformed the benchmark MSCI World Index by nearly 5.5 percentage points, continuing progress made in 2009. For the period, the Fund declined -4.35%, while the MSCI World Index declined -9.84%.

Seven out of the Fund’s ten sectors beat their respective MSCI sector benchmarks, led by positive absolute returns from financials, utilities and industrials. However, it is important to note that stock selection was the primary driver for our outperformance, rather than sector or country weightings. As we have repeatedly referenced in prior reports, individual stock analysis takes on added importance during times of extreme market volatility. Benefiting from a bottom-up, fundamentals-driven research process, the Fund identified numerous stocks able to weather the recession and recover admirably in 2009-early 2010 – leading to benchmark-beating performance for the six-month period.

The following table summarizes total returns through June 30, 2010.

	2010			Annualized As of June 30, 2010					
	YTD	Q2	Q1	1 Yr	3 Yrs	5 Yrs	10 Yrs	15 Yrs	ITD*
Polaris Global Value Fund	-4.35%	-9.88%	6.14%	17.99%	-14.32%	-1.75%	5.68%	8.31%	8.34%
MSCI World Index, net dividends reinvested	-9.84%	-12.67%	3.24%	10.20%	-11.46%	0.06%	-1.02%	4.68%	4.86%

\* 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 greater 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 1.46%. Quarter end expense ratio is 1.39%; 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 summarizes total returns through June 30, 2010, and shows that the Fund remains ahead of the Index for the past 10 and 15 years and since inception. This long-term performance has been achieved with lower market risk, as measured by the beta statistic of less than one since the Fund’s inception (volatility measurement relative to the MSCI World Index).

The shorter term 3- and 5-year records were materially affected by 2007-2008 results. Evaluating an investment based on short-term performance may not be a good indication of how the Fund has performed over longer

periods, as recent returns may be influenced by short-term market movement and cyclical peaks. Many misguided investors chase the most recent performance with expectations for higher returns than can be attributed to average annual return of the funds in which they invest.

Interestingly, the Securities & Exchange Commission (SEC) requires funds to publish rolling 1-, 5- and 10-year returns, which only serves to exacerbate the problem. The SEC-imposed standardized time periods make comparisons from one investment to another easier; however, such data segmentation does not evaluate the risk-adjusted performance nor does it account for style differences between investments.

Don't take our word for it. Consider further data that refutes use of short-term performance for investment decision making.

- “How Investors Really Fare In Mutual Funds,” *U.S. News & World Report* (May 19, 2010)  
Russel Kinnel, Morningstar's director of mutual fund research, says investors often put too much faith in the short-term performance of funds. Frequently, he says, high one- and three-year returns are contrarian indicators – meaning that asset class may be overheated and investors should consider looking elsewhere. “Recognize that one- and three-year returns don't mean much about what to expect in the future,” he says. “People need to wean themselves off the short-term returns data.”
- “How To Best Avoid ‘Performance Addiction’,” *Financial Times* (June 20, 2010)  
Cyrus Taraporevala, Head of North American distribution at BNY Mellon Asset Management, authored the following: Although we all repeat the mantra that “past performance does not guarantee future success”, we still pay too much attention to performance. ... This behavior takes two broad forms: investors jump into asset classes at the peak of their investment performance and plough money into individual asset managers at the peak of the managers' alpha cycles. Most mutual fund investors do not earn the long-term returns of the funds in which they invest, because they buy when the manager is “hot” and sell when they cool off. The average U.S. mutual fund holding period is less than four years and has been steadily declining. This is not a sufficiently long time horizon to judge the true expertise of an asset manager in delivering positive long-term performance.

The real money is made by shrewd investors who can overcome this addictive behavior. To do so, investors and their advisers need to apply a more fundamental approach to their selection process, which often leads to contrarian investment decisions. Contrarian investors are those who can avoid the “hot” asset classes and managers past their prime, and focus on out-of-favor performers that deserve sober consideration, while selling past winners... As for selecting individual asset managers, investors must fully understand the philosophies and processes of the managers they are hiring. Even the finest asset managers have peaks and valleys in their ability to deliver alpha. This does not demonstrate any flaw. It is simply the nature of alpha cycles, since every skilled manager tends to have a certain type of “edge” that enables him to outperform ... (in certain investment environments).

We agree with the points made by the industry commentators above and present the complete investment results of the Fund. We encourage investors to compare the longest period of investment performance to determine the risk and return performance of investments and investment managers.

**SIX-MONTH PERFORMANCE ANALYSIS:**

The Fund's financial holdings significantly outperformed the sector benchmark due to the strength of small- and mid-cap U.S. banks. Leading the charge were Southwest Bancorp, Inc., Ameris Bancorp, Webster Financial Corp., Astoria Financial Corp. and Colony Bankcorp, Inc. While many U.S. community banks/thrifts suffered in 2007-08, this year has thus far signaled a return to better valuations. We remain cautiously optimistic about the prospects for U.S. bank stock performance in the second half of 2010.

Defensive holdings, including utilities, telecommunications and energy, proved to be low risk stocks that buffered market volatility in the early part of 2010. Utilities were a top contributor to performance with most holdings generating positive absolute returns, including Japan's Kansai Electric Power Co., Inc. and U.S.-based Allite, Inc. We proactively reduced risk in the portfolio, adding defensive stocks to provide a "cushion" in down markets – a strategy that proved successful in the six-month period.

Industrial holdings were also in positive territory, benefitting from the upward trend in business conditions. Toro Co., a lawn/landscape equipment manufacturer, announced strong results with positive guidance, especially in consumer lines, bolstering the Fund's industrial sector performance. Konecranes Oyj, a crane manufacturer, and Tognum AG, a supplier of engines, propulsion systems and distributed energy systems, were also notable performers. Shipping companies (namely Japan's Iino Kaiun Kaisha, Ltd. and Nippon Yusen KK), typically considered among the leading indicators of economic activity and global trade, also produced strong results.

General macro-economic concerns overwhelmed the many positive earnings reports announced from a broadly diversified group of companies. Sectors considered sensitive to economic weakness declined including consumer discretionary, consumer staples and healthcare.

Impacted by Greece's sovereign debt crisis, which renewed concerns about credit availability across Europe, consumer discretionary stocks suffered. British homebuilders were the main detractors to performance; however, the shortage of UK housing quickly stabilized the market, improved prices and allowed homebuilders' cash flows to recover. Other consumer discretionary stocks, including Duni AB, the provider of tabletop goods to restaurants, and fashion design house Christian Dior SA, also lagged. Irish convenience foods producer Greencore Group PLC was the main impediment to better performance in the consumer staples sector. The company fundamentals remain intact; weakness in the Euro impacted the stock.

After a strong end to 2009, when healthcare stocks profited from a relief rally due to clarity on a U.S. government-proposed health insurance program, the stocks retracted from prior gains. Only new portfolio holding Questcor Pharmaceuticals, Inc., a company providing prescription drugs for the treatment of rare central nervous system and inflammatory disorders, performed well-posting double-digit gains in the first half of 2010.

**ASSET ALLOCATION:**

During the six-month period, we sold holdings in the healthcare, industrial and utility sectors that reached their valuation targets. Other sales were conducted where analysis revealed deterioration in individual company fundamentals.

**POLARIS GLOBAL VALUE FUND**  
A MESSAGE TO OUR SHAREHOLDERS  
JUNE 30, 2010

After careful analysis of “defensive” sector stocks, we purchased new healthcare holdings including a U.S. company that manufactures ACTH, an orphan drug effective for infantile spasms and numerous other diseases, and a French biotech company designing therapeutic vaccines for pre-cancerous cervical lesions, non-small cell lung cancer and Hepatitis C.

Other new investments included two U.S. community banks, both of which have strong capital ratios, healthy loan quality and the ability to gain market share from weaker competitors. We also purchased a German manufacturer of banking machines and point of sale hardware and software, a U.S. based company that serves the semiconductor industry and a U.K. aviation support and aftermarket services provider.

Information technology also offers an interesting value proposition, as we identified numerous companies with strong free cash flow, promising growth and cash rich balance sheets with little debt. We will seek to buy opportunistically, taking advantage of volatility to purchase positions in down markets and reduce positions in market advances. This strategy was deployed actively in the first half of 2010.

The following table shows the Fund’s asset allocation at June 30, 2010.

Polaris Global Value Fund Asset Allocation													
Portfolio	Weighting	Energy	Utilities	Materials	Industrials	Consumer Discretionary	Consumer Staples	Health Care	Financials	Info. Tech.	Telecom Services	Other	Cash
N. America	37.01%	1.46%	2.53%	3.15%	7.37%	0.00%	3.57%	3.95%	12.94%	1.06%	0.98%	0.00%	0.00%
Japan	7.87%	0.00%	1.12%	0.72%	2.02%	0.28%	2.69%	0.00%	0.00%	0.00%	1.04%	0.00%	0.00%
Other Asia	7.46%	1.52%	0.00%	1.38%	0.00%	0.00%	0.00%	0.00%	1.43%	2.12%	1.00%	0.00%	0.00%
Europe	33.99%	2.03%	0.00%	9.06%	6.76%	6.71%	1.98%	2.13%	4.00%	1.32%	0.00%	0.00%	0.00%
Scandinavia	10.95%	0.00%	0.00%	0.00%	4.11%	2.64%	0.00%	0.00%	4.20%	0.00%	0.00%	0.00%	0.00%
Africa & S. America	1.92%	1.40%	0.00%	0.52%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Cash	0.81%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.81%
Industry Totals	100.00%	6.42%	3.64%	14.82%	20.26%	9.63%	8.24%	6.08%	22.57%	4.50%	3.03%	0.00%	0.81%

Table may not cross foot due to rounding.

**INVESTMENT ENVIRONMENT AND STRATEGY:**

Our conversations with companies worldwide indicate mixed economic progress. Some industries and countries are stabilizing, while others experience only sparse improvement. Inventory cycles appear ambiguous. Economic growth remains modest to stagnant in developing countries, while emerging market demand appears strong and sustainable. Yet, uneven growth projections portend economic uncertainty – and the consequential market volatility – over the next few quarters.

Concerned about uneven economic growth, we are attempting to reduce portfolio exposure to countries or sectors facing a protracted recovery. Over the past few years, we have made a conscious effort to minimize portfolio risk, increasing “defensive” positions in energy, utilities and healthcare to better balance the portfolio and reduce cyclical exposure.

Benefitting from normalized market volatility, the Fund may harvest gains in the more cyclical holdings, hold cash as a buffer, and reinvest in new purchases when the markets undervalue fundamentally-strong stocks. Maintaining this buy/sell discipline over these past six months proved advantageous, and we intend to continue executing this strategy in an effort to secure admirable returns in a recovery.

---

**POLARIS GLOBAL VALUE FUND**  
A MESSAGE TO OUR SHAREHOLDERS  
JUNE 30, 2010

---

As always, we welcome your questions and comments.

Sincerely,



Bernard R. Horn, Jr.  
Portfolio Manager

**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 June 30, 2010, the Fund's top 20 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>
Southwest Bancorp, Inc.	2.73%
Mac-Gray Corp.	2.47%
Kone Oyj, Class B	2.27%
Trevi Finanziaria SpA	2.13%
Technip SA	2.03%
Greencore Group PLC	1.98%
Symrise AG	1.97%
Smurfit Kappa Group PLC	1.97%
The J.M. Smucker Co.	1.87%
Tognum AG	1.86%
AMETEK, Inc.	1.84%

**POLARIS GLOBAL VALUE FUND**  
A MESSAGE TO OUR SHAREHOLDERS  
JUNE 30, 2010

Issuer	Percentage of Total Net Assets
BASF SE	1.76%
Andritz AG	1.76%
H.J. Heinz Co.	1.70%
Christian Dior SA	1.64%
Praxair, Inc.	1.58%
Methanex Corp.	1.57%
Ameris Bancorp	1.55%
Thai Oil PCL	1.52%
Samsung Electronics Co., Ltd	1.52%

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 June 30, 2010, and may not reflect the views of the manager on the date this letter is 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.

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%

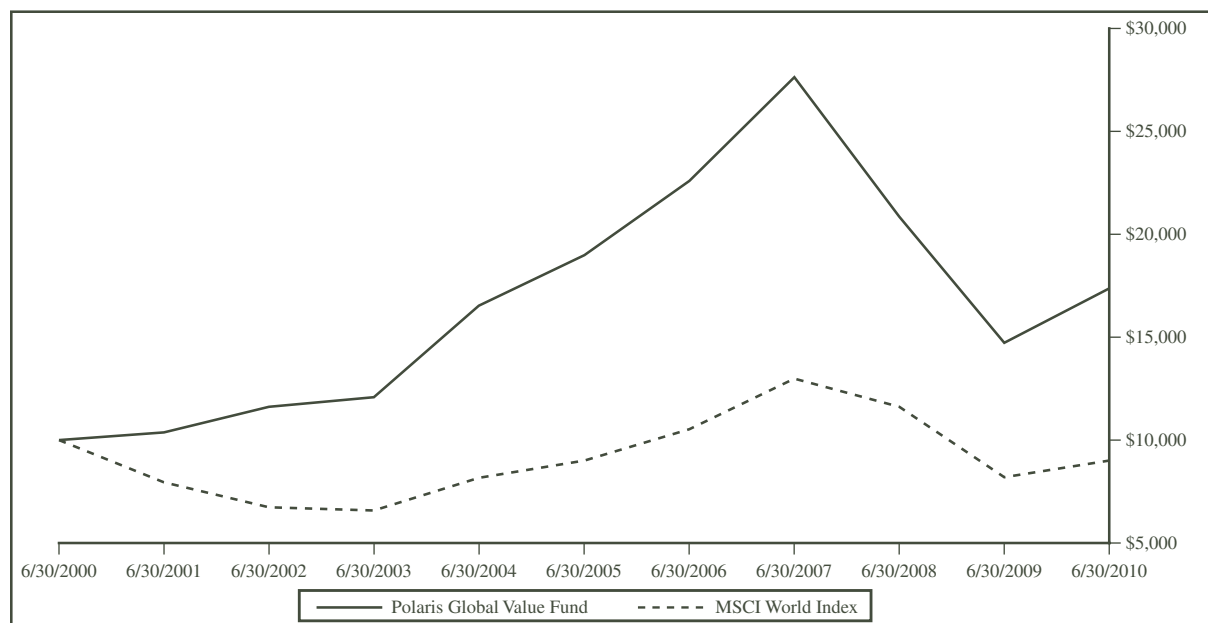
**POLARIS GLOBAL VALUE FUND**  
**PERFORMANCE CHART AND ANALYSIS**  
**JUNE 30, 2010**

The following chart reflects the change in the value of a hypothetical \$10,000 investment, including reinvested dividends and distributions, in the Polaris Global Value Fund (the "Fund") compared with the performance of the benchmark Morgan Stanley Capital International World Index ("MSCI World Index"), over the past ten fiscal periods. The MSCI World Index 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 total return of the MSCI World Index includes reinvestment of dividends and income. The total return of the Fund includes operating expenses that reduce returns, while the total return of the MSCI World Index does not include expenses. The Fund is professionally managed while the MSCI World Index is unmanaged and is not available for investment.

*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. Investment return and principal value will fluctuate so that shares, when redeemed, may be worth more or less than original cost. For the most recent month-end performance please call (888) 263-5594. Shares redeemed or exchanged within 180 days of purchase will be charged a 1.00% redemption fee. As stated in the Fund's prospectus, the annual operating expense ratio (gross) is 1.46%. The performance table and graph do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares. Returns greater than one year are annualized.*

<u>Annual Total Return as of 06/30/10</u>	<u>One Year</u>	<u>Five Year</u>	<u>Ten Year</u>
Polaris Global Value Fund	17.99%	(1.75)%	5.68%
MSCI World Index	10.20%	0.06%	(1.02)%

<u>Investment Value on 06/30/10</u>	
Polaris Global Value Fund	\$17,373
MSCI World Index	\$ 9,021



**POLARIS GLOBAL VALUE FUND**  
**SCHEDULE OF INVESTMENTS**  
**JUNE 30, 2010**

Shares	Security Description	Value	Shares	Security Description	Value
<b>Common Stock – 99.3%</b>			<b>Italy – 2.1%</b>		
<b>Australia – 1.4%</b>			240,350 Trevi Finanziaria SpA		
36,402	BHP Billiton, Ltd., ADR	\$ 2,256,560			
<b>Austria – 1.8%</b>			<b>Japan – 7.9%</b>		
51,132	Andritz AG	2,876,231	132,100	Asahi Breweries, Ltd.	2,251,594
<b>Belgium – 1.9%</b>			96,600	Culture Convenience Club Co., Ltd.	454,511
20,044	KBC Groep NV(a)	780,301	347,320	Iino Kaiun Kaisha, Ltd.	1,767,732
26,316	Solvay SA, Class A	2,258,107	74,900	Kansai Electric Power Co., Inc.	1,830,672
			356	KDDI Corp.	1,709,235
			52,416	MEIJI Holdings Co., Ltd.	2,157,940
			418,000	Nippon Yusen KK	1,545,959
			643,000	Showa Denko KK	1,178,149
			<u>12,895,792</u>		
<b>Canada – 1.6%</b>			<b>Norway – 1.4%</b>		
130,137	Methanex Corp.	2,561,054	160,227	Camillo Eitzen & Co. ASA(a)	270,830
<b>Finland – 4.0%</b>			209,496	DnB NOR ASA	2,032,910
92,618	Kone Oyj, Class B	3,710,329			
38,520	Konecranes Oyj	1,012,269			
95,793	YIT Oyj	1,731,336			
			<u>2,303,740</u>		
			<b>South Africa – 1.9%</b>		
			1,978,605	Metorex, Ltd.(a)	850,736
			64,070	Sasol, Ltd.	2,292,329
			<u>3,143,065</u>		
<b>France – 5.0%</b>			<b>South Korea – 2.5%</b>		
27,765	Christian Dior SA	2,684,278	3,927	Samsung Electronics Co., Ltd.	2,487,385
22,254	Imerys SA	1,146,496	12,468	SK Telecom Co., Ltd.	1,637,620
57,050	Technip SA	3,320,746			
62,939	Transgene SA(a)	1,065,964			
			<u>4,125,005</u>		
			<b>Sweden – 5.6%</b>		
<b>Germany – 10.4%</b>			43,871	Autoliv, Inc.(a)	2,099,227
52,100	BASF SE	2,879,713	329,200	Duni AB, Class A	2,216,522
36,300	Demag Cranes AG	1,109,736	146,002	Investor AB, Class B	2,378,020
51,400	Hannover Rueckversicherung AG	2,218,763	99,400	Svenska Handelsbanken AB, Class A	2,450,150
18,900	Muenchener Rueckversicherungs AG	2,387,455			
154,900	Symrise AG	3,225,813			
161,700	Tognum AG	3,043,138			
38,450	Wincor Nixdorf AG	2,162,854			
			<u>9,143,919</u>		
			<b>Switzerland – 1.5%</b>		
			49,600	Novartis AG	2,420,522
<b>India – 2.0%</b>			<b>Thailand – 1.5%</b>		
16,500	Infosys Technologies, Ltd., ADR	988,515	1,825,650	Thai Oil PCL	2,494,134
23,700	State Bank of India, GDR	2,349,334			
			<u>2,494,134</u>		
			<b>United Kingdom – 6.1%</b>		
			1,409,202	Barratt Developments PLC(a)	1,996,004
<b>Ireland – 5.2%</b>			192,537	BBA Aviation PLC	527,298
7,885	Anglo Irish Bank Corp., Ltd.(a)(b)	–	262,648	Bellway PLC	2,415,361
99,553	CRH PLC	2,080,508	1,436,273	Lloyds TSB Group PLC(a)	1,152,368
2,054,454	Greencore Group PLC	3,240,852	359,146	Persimmon PLC(a)	1,878,101
397,293	Smurfit Kappa Group PLC(a)	3,222,022	5,090,040	Taylor Wimpey PLC(a)	2,004,686
			<u>9,973,818</u>		
			<u>8,543,382</u>		



**POLARIS GLOBAL VALUE FUND**  
**SCHEDULE OF INVESTMENTS**  
**JUNE 30, 2010**

The following is a summary of the inputs used to value the Fund's investments as of June 30, 2010:

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. For more information on valuation inputs, and their aggregation into the levels used in the table below, please refer to Note 2—Security Valuation section in the accompanying Notes to Financial Statements.

Valuation Inputs	Level 1	Level 2	Level 3	Total
Investments At Value:				
Common Stock				
Australia	\$ 2,256,560	\$ —	\$—	\$ 2,256,560
Austria	2,876,231	—	—	2,876,231
Belgium	3,038,408	—	—	3,038,408
Canada	2,561,054	—	—	2,561,054
Finland	6,453,934	—	—	6,453,934
France	8,217,484	—	—	8,217,484
Germany	17,027,472	—	—	17,027,472
India	3,337,849	—	—	3,337,849
Ireland	8,543,382	—	—	8,543,382
Italy	3,488,735	—	—	3,488,735
Japan	12,895,792	—	—	12,895,792
Norway	2,303,740	—	—	2,303,740
South Africa	3,143,065	—	—	3,143,065
South Korea	4,125,005	—	—	4,125,005
Sweden	9,143,919	—	—	9,143,919
Switzerland	2,420,522	—	—	2,420,522
Thailand	—	2,494,134	—	2,494,134
United Kingdom	9,973,818	—	—	9,973,818
United States	57,966,137	—	—	57,966,137
Certificates of Deposit	—	62,788	—	62,788
Total Investments at Value:	<u>\$159,773,107</u>	<u>\$2,556,922</u>	<u>\$—</u>	<u>\$162,330,029</u>

**PORTFOLIO HOLDINGS**

% of Total Investments

Financials .....	22.7%
Industrials .....	20.4%
Materials .....	15.0%
Consumer Discretionary .....	9.7%
Consumer Staples .....	8.3%
Energy .....	6.5%
Health Care .....	6.1%
Information Technology .....	4.5%
Utilities .....	3.7%
Telecommunication Services .....	3.1%
Short-Term Investments .....	0.0%
Total .....	<u>100.0%</u>

---

**POLARIS GLOBAL VALUE FUND**  
**STATEMENT OF ASSETS AND LIABILITIES**  
**JUNE 30, 2010**

---

**ASSETS**

Total investments, at value (Cost \$210,837,069)	\$ 162,330,029
Cash	2,037,495
Foreign currency (Cost \$83,646)	83,872
Receivables:	
Fund shares sold	7,260
Interest and dividends	396,095
Trustees fees and expenses	140
Prepaid expenses	20,370
Total Assets	<u>164,875,261</u>

**LIABILITIES**

Payables:	
Fund shares redeemed	327,361
Investment securities purchased	865,226
Accrued Liabilities:	
Investment adviser fee	139,698
Fund service fees	62,024
Compliance services fees	2,988
Other expenses	11,519
Total Liabilities	<u>1,408,816</u>

**NET ASSETS** \$ 163,466,445

**COMPONENTS OF NET ASSETS**

Paid-in capital	\$ 325,122,811
Undistributed net investment income	3,513,646
Accumulated net realized loss on investments and foreign currency transactions	(116,654,046)
Net unrealized depreciation on investments and foreign currency translations	<u>(48,515,966)</u>

**NET ASSETS** \$ 163,466,445

**NET ASSET VALUE, OFFERING AND REDEMPTION PRICE PER SHARE**

Based on net assets of \$163,466,445 and 14,571,209 shares outstanding at \$0.000 par value  
(unlimited shares authorized) \$ 11.22

---

**POLARIS GLOBAL VALUE FUND**  
**STATEMENT OF OPERATIONS**  
**SIX MONTHS ENDED JUNE 30, 2010**

---

**INVESTMENT INCOME**

Dividend income (net of foreign withholding taxes \$326,092)	\$ 2,791,092
Interest income	<u>17,392</u>
Total Investment Income	<u>2,808,484</u>

**EXPENSES**

Investment adviser fees	938,833
Fund service fees	259,805
Custodian fees	19,138
Professional fees	26,796
Registration fees	8,237
Trustees' fees and expenses	3,054
Compliance services fees	23,030
Miscellaneous expenses	<u>27,752</u>
Total Expenses	1,306,645
Fees waived	<u>(9,577)</u>
Net Expenses	<u>1,297,068</u>

**NET INVESTMENT INCOME** 1,511,416

**NET REALIZED AND UNREALIZED GAIN (LOSS)**

Net Realized Gain (Loss) on:	
Investments	(8,310,282)
Foreign currency transactions	(20,311)
Written options	<u>37,188</u>
Net Realized Loss	<u>(8,293,405)</u>

Net Change in Unrealized Appreciation (Depreciation) on:	
Investments	263,431
Foreign Currency Translations	<u>(8,859)</u>
Net Change in Unrealized Appreciation (Depreciation)	<u>254,572</u>

**NET REALIZED AND UNREALIZED LOSS** (8,038,833)

**DECREASE IN NET ASSETS RESULTING FROM OPERATIONS** \$(6,527,417)

**POLARIS GLOBAL VALUE FUND**  
**STATEMENTS OF CHANGES IN NET ASSETS**

	Six Months Ended June 30, 2010	Year Ended December 31, 2009
<b>OPERATIONS</b>		
Net investment income	\$ 1,511,416	\$ 1,530,893
Net realized loss	(8,293,405)	(61,717,796)
Net change in unrealized appreciation (depreciation)	<u>254,572</u>	<u>107,975,488</u>
Increase (Decrease) in Net Assets Resulting from Operations	<u>(6,527,417)</u>	<u>47,788,585</u>
<b>DISTRIBUTIONS TO SHAREHOLDERS FROM</b>		
Net investment income	<u>—</u>	<u>(20,598)</u>
Total Distributions to Shareholders	<u>—</u>	<u>(20,598)</u>
<b>CAPITAL SHARE TRANSACTIONS</b>		
Sale of shares	8,685,700	17,990,755
Reinvestment of distributions	—	20,598
Redemption of shares	(30,118,196)	(50,652,983)
Redemption fees	<u>28,749</u>	<u>8,622</u>
Decrease from Capital Share Transactions	<u>(21,403,747)</u>	<u>(32,633,008)</u>
Increase (Decrease) in Net Assets	(27,931,164)	15,134,979
<b>NET ASSETS</b>		
Beginning of period	<u>191,397,609</u>	<u>176,262,630</u>
End of period(a)	<u>\$163,466,445</u>	<u>\$191,397,609</u>
<b>SHARE TRANSACTIONS</b>		
Sale of shares	712,780	1,750,618
Reinvestment of distributions	—	2,742
Redemption of shares	<u>(2,453,710)</u>	<u>(5,790,642)</u>
Decrease in Shares	<u>(1,740,930)</u>	<u>(4,037,282)</u>
(a) Amount includes undistributed net investment income	<u>\$ 3,513,646</u>	<u>\$ 2,002,230</u>

**POLARIS GLOBAL VALUE FUND**  
**FINANCIAL HIGHLIGHTS**

These financial highlights reflect selected data for a share outstanding throughout each period:

	Six Months Ended June 30, 2010	Year Ended				
		December 31, 2009	December 31, 2008	December 31, 2007	December 31, 2006	December 31, 2005
<b>NET ASSET VALUE, Beginning of Period</b>	\$ 11.73	\$ 8.66	\$ 17.51	\$ 19.98	\$ 16.20	\$ 14.80
<b>INVESTMENT OPERATIONS</b>						
Net investment income(a)	0.10	0.09	0.25	0.20	0.17	0.19
Net realized and unrealized gain (loss) on investments, options and foreign currency transactions	(0.61)	2.98	(8.41)	(0.94)	3.80	1.36
Total from Investment Operations	(0.51)	3.07	(8.16)	(0.74)	3.97	1.55
<b>DISTRIBUTIONS TO SHAREHOLDERS FROM</b>						
Net investment income	–	–(b)	(0.31)	(0.26)	(0.16)	(0.16)
Net realized gain on investments, options and foreign currency transactions	–	–	(0.38)	(1.49)	(0.04)	–
Total Distributions to Shareholders	–	–	(0.69)	(1.75)	(0.20)	(0.16)
<b>REDEMPTION FEE(a)</b>	–(b)	–(b)	–(b)	0.02	0.01	0.01
<b>NET ASSET VALUE, End of Period</b>	\$ 11.22	\$ 11.73	\$ 8.66	\$ 17.51	\$ 19.98	\$ 16.20
<b>TOTAL RETURN</b>	(4.35)%(c)	35.46%	(46.19)%	(3.97)%	24.57%	10.52%
<b>RATIO/SUPPLEMENTARY DATA</b>						
Net Assets at End of Period (000's omitted)	\$163,466	\$191,398	\$176,263	\$602,703	\$608,053	\$280,580
Ratios to Average Net Assets:						
Net investment income	1.61%(d)	0.91%	1.74%	0.99%	0.93%	1.23%
Net expenses	1.38%(d)	1.45%	1.43%	1.19%	1.23%	1.29%
Gross expenses(e)	1.39%(d)	1.46%	1.43%	1.19%	1.23%	1.30%
<b>PORTFOLIO TURNOVER RATE</b>	5%(c)	22%	16%	46%	5%	10%

(a) Calculated based on average shares outstanding during the period.

(b) Amount rounds to less than \$0.01 per share.

(c) Not annualized.

(d) Annualized.

(e) Reflects the expense ratio excluding any waivers and/or reimbursements.

**Note 1. Organization**

The Polaris Global Value Fund (the “Fund”) is diversified portfolio of Forum Funds (the “Trust”). The Trust is a Delaware statutory trust that is registered as an open-end, management investment company under the Investment Company Act of 1940, as amended. As of June 30, 2010, the Trust had twenty-two investment portfolios. Under its Trust Instrument, the Trust is authorized to issue an unlimited number of each Fund’s shares of beneficial interest without par value. The Fund commenced operations June 1, 1998 after it acquired the net assets of Global Value Limited Partnership (the “Partnership”), in exchange for Fund shares. The Partnership commenced operations on July 31, 1989. The Fund seeks capital appreciation.

**Note 2. Summary of Significant Accounting Policies**

These financial statements are prepared in accordance with generally accepted accounting principles in the United States of America (“GAAP”), which require management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities at the date of the financial statements, and the reported amounts of increase and decrease in net assets from operations during the fiscal period. Actual amounts could differ from those estimates. The following summarizes the significant accounting policies of the Fund:

**Security Valuation** – Exchange-traded securities and over-the-counter securities are valued using the last quoted sale or official closing price, provided by independent pricing services as of the close of trading on the market or exchange for which they are primarily traded, on each Fund business day. In the absence of a sale, such securities are valued at the mean of the last bid and asked price provided by independent pricing services. Non-exchange traded securities for which quotations are available are valued using the last quoted sales price, or in the absence of a sale at the mean of the last bid and asked prices provided by independent pricing services. Debt securities may be valued at prices supplied by a Fund’s pricing agent based on broker or dealer supplied valuations or matrix pricing, a method of valuing securities by reference to the value of other securities with similar characteristics such as rating, interest rate and maturity. Forward currency contracts are generally valued at the mean of bid and asked prices for the time period interpolated from rates reported by an independent pricing service for proximate time periods. Exchange-traded options for which there were no sales reported that day are generally valued at the mean of the last bid and asked prices. Options not traded on an exchange are generally valued at broker-dealer bid quotation. Shares of open-end mutual funds are valued at net asset value (“NAV”). Short-term investments that mature in sixty days or less may be valued at amortized cost.

The Fund values its investments at fair value pursuant to procedures adopted by the Trust’s Board of Trustees (the “Board”) if (1) market quotations are insufficient or not readily available or (2) the adviser believes that the values available are unreliable. Fair valuation is based on subjective factors and as a result, the fair value price of an investment may differ from the security’s market price and may not be the price at which the asset may be sold. Fair valuation could result in a different NAV than a NAV determined by using market quotes.

The Fund has a three-tier fair value hierarchy. The basis of the tiers is dependent upon the various “inputs” used to determine the value of the Fund’s investments. These inputs are summarized in the three broad levels listed below:

Level 1 – quoted prices in active markets for identical assets

Level 2 – other significant observable inputs (including quoted prices of similar securities, interest rates, prepayment speeds, credit risk, etc.)

Level 3 – significant unobservable inputs (including the Fund’s own assumptions in determining the fair value of investments)

The aggregate value by input level, as of June 30, 2010, for the Fund’s investments is included at the end of the Fund’s Schedule of Investments.

**Security Transactions, Investment Income and Realized Gain and Loss** – Investment transactions are accounted for on trade date. Dividend income is recorded on the ex-dividend date. Foreign dividend income is recorded on the ex-dividend date or as soon as possible after the Fund determines the existence of a dividend declaration after exercising reasonable due diligence. Income and capital gains on some foreign securities may be subject to foreign withholding taxes, which are accrued as applicable. Interest income is recorded on an accrual basis. Premium and discount is amortized and accreted in accordance with GAAP. Identified cost of investments sold is used to determine the gain and loss for both financial statement and federal income tax purposes.

**Foreign Currency Translations** – Foreign currency amounts are translated into U.S. dollars as follows: (i) assets and liabilities at the rate of exchange at the end of the respective period; and (ii) purchases and sales of securities and income and expenses at the rate of exchange prevailing on the dates of such transactions. The portion of the results of operations arising from changes in the exchange rates and the portion due to fluctuations arising from changes in the market prices of securities are not isolated. Such fluctuations are included with the net realized and unrealized gain or loss on investments.

The Fund may enter into transactions to purchase or sell foreign currencies to protect the U.S. dollar value of its underlying portfolio securities against the effect of possible adverse movements in foreign exchange rates. Principal risks associated with such transactions include the movement in value of the foreign currency relative to the U.S. dollar and the ability of the counterparty to perform. Fluctuations in the value of such forward currency transactions are recorded daily as unrealized gain or loss; realized gain or loss includes net gain or loss on transactions that have terminated by settlement or by the Fund entering into offsetting commitments. These instruments involve market risk, credit risk, or both kinds of risks, in excess of the amount recognized in the Statement of Assets and Liabilities. Risks arise from the possible inability of counterparties to meet the terms of their contracts and from movement in currency and securities values and interest rates.

**Foreign Currency Transactions** – The Fund may enter into transactions to purchase or sell foreign currency contracts and options on foreign currency. Forward currency contracts are agreements to exchange one currency for another at a future date and at a specified price. The Fund may use forward currency contracts to facilitate transactions in foreign securities and to manage the Fund’s foreign currency exposure. These contracts are intrinsically valued daily based on forward rates, and the Fund’s net equity therein, representing unrealized gain or loss on the contracts as measured by the difference between the forward foreign exchange rates at the dates of entry into the contracts and the forward rates at the reporting date, is recorded as a component of net asset value. Due to the risk associated with these transactions, the Fund could incur losses up to the entire contract amount, which may exceed the net unrealized value included in its net asset value.

The volume of open currency positions may vary on a daily basis as the Fund transacts currency contracts in order to achieve the exposure desired by the adviser. During the six months ended June 30, 2010, the Fund

**POLARIS GLOBAL VALUE FUND**  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2010

entered into an aggregated total notional value of \$19,456,424 on forward currency contracts. Additionally, the Fund entered into a total value of \$6,416,970 on spot currency contracts for the six months ended June 30, 2010.

**Options** – When the Fund writes an option, an amount equal to the premium received by the Fund is recorded as a liability and is subsequently adjusted to the current value of the option written. Premiums received from writing options that expire unexercised are treated by the Fund on the expiration date as realized gain from investments. The difference between the premium and the amount paid on effecting a closing purchase transaction, including brokerage commissions, is also treated as a realized gain, or if the premium is less than the amount paid for the closing purchase transaction, as a realized loss. If a call option is exercised, the premium is added to the proceeds from the sale of the underlying security or currency in determining whether the Fund has realized a gain or loss. If a put option is exercised, the premium reduces the cost basis of the securities purchased by the Fund. The Fund, as writer of an option, bears the market risk of an unfavorable change in the price of the security underlying the written option.

When the Fund purchases an option, an amount equal to the premium paid by the Fund is recorded as an investment and is subsequently adjusted to the current value of the option purchased. If an option expires on the stipulated expiration date or if the Fund enters into a closing sale transaction, a gain or loss is realized. If a call option is exercised, the cost of the security acquired is increased by the premium paid for the call. If a put option is exercised, a gain or loss is realized from the sale of the underlying security, and the proceeds from such sale are decreased by the premium originally paid. Written and purchased options are non-income producing securities.

The volume of open positions may vary on a daily basis as the Fund transacts written options in order to achieve the exposure desired by the adviser. The Fund entered into a total value of \$37,188 on written options for the six months ended June 30, 2010.

Transactions in options written during the six months ended June 30, 2010, were as follows:

	Calls	
	Number of Contracts	Premiums
<i>Options Outstanding, December 31, 2009</i>	–	\$ –
Options written	633	37,188
Options terminated in closing transactions	–	–
Options exercised	–	–
Options expired	(633)	(37,188)
<i>Options Outstanding, June 30, 2010</i>	<u>–</u>	<u>\$ –</u>

**Derivatives Transactions** – The Fund’s use of derivatives during the period ended June 30, 2010, was limited to forward currency contracts and written options. Following is a summary of how the derivatives are treated in the financial statements and their impact on the Fund.

There were no open derivatives on June 30, 2010, and thus there was no disclosure on the Statement of Assets and Liabilities.

**POLARIS GLOBAL VALUE FUND**  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2010

Realized and unrealized gains and losses on derivatives contracts entered into during the period ended June 30, 2010, by the Fund are recorded in the following locations in the Statement of Operations:

Contract Type/ Primary Risk Exposure	Location of Gain or (Loss) on Derivatives	Realized Gain (Loss) on Derivatives	Change in Unrealized Appreciation (Depreciation) on Derivatives
Equity Contracts	Realized Gain (Loss) – Written options	\$ 37,188	\$–
Forward Currency Contracts	Realized Gain (Loss) – Foreign currency transactions	140,238	–

**Distributions to Shareholders** – Distributions to shareholders of net investment income and net capital gains, if any, are declared and paid at least annually. Distributions are based on amounts calculated in accordance with applicable federal income tax regulations, which may differ from GAAP. These differences are due primarily to differing treatments of income and gain on various investment securities held by the Fund, timing differences and differing characterizations of distributions made by the Fund.

**Federal Taxes** – The Fund intends to qualify each year as a regulated investment company under Subchapter M of the Internal Revenue Code and distribute all of its taxable income to shareholders. In addition, by distributing in each calendar year substantially all its net investment income and capital gains, if any, the Fund will not be subject to a federal excise tax. Therefore, no federal income or excise tax provision is required.

As of June 30, 2010, there are no uncertain tax positions that would require financial statement recognition, de-recognition, or disclosure. The Fund’s federal tax returns filed in the three-year period ended December 31, 2009, remain subject to examination by the Internal Revenue Service.

**Income and Expense Allocation** – The Trust accounts separately for the assets, liabilities and operations of each of its investment portfolios. Expenses that are directly attributable to more than one investment portfolio are allocated among the respective investment portfolios in an equitable manner.

**Redemption Fees** – A shareholder who redeems or exchanges shares within 180 days of purchase will incur a redemption fee of 1.00% of the current net asset value of shares redeemed or exchanged, subject to certain limitations. The fee is charged for the benefit of the remaining shareholders and will be paid to the Fund to help offset transaction costs. The fee is accounted for as an addition to paid-in capital. The Fund reserves the right to modify the terms of or terminate the fee at any time. There are limited exceptions to the imposition of the redemption fee.

**Commitments and Contingencies** – In the normal course of business, the Fund enters into contracts that provide general indemnifications by the Fund to the counterparty to the contract. The Fund’s maximum exposure under these arrangements is dependent on future claims that may be made against the Fund and, therefore, cannot be estimated; however, based on experience, the risk of loss from such claims is considered remote.

**Note 3. Advisory Fees, Servicing Fees and Other Transactions**

**Investment Adviser** – Polaris Capital Management, LLC (the “Adviser”), is the investment adviser to the Fund. Pursuant to an investment advisory agreement, the Adviser receives an advisory fee from the Fund at an annual rate of 1.00% of the Fund’s average daily net assets.

**Shareholder Service Plan** – The Trust has adopted a shareholder service plan for the Fund under which the Fund may reimburse the Fund’s administrator for amounts paid by the administrator for providing shareholder service activities that are not otherwise provided by the Transfer Agent. The Fund’s administrator may make such payments to various financial institutions, including the Adviser, that provide shareholder servicing to their customers invested in the Fund in amounts of up to 0.25% annually of the average daily net assets of the shares held by such customers. During the six months ended June 30, 2010, the Fund did not make any payments under the Shareholder Service Plan.

**Distribution** – Foreside Fund Services, LLC serves as the Fund’s distributor (the “Distributor”). The Distributor receives no compensation from the Fund for its distribution services. The Distributor is not affiliated with the Adviser or with Atlantic Fund Administration, LLC (“Atlantic”) or their affiliates.

**Other Service Providers** – Atlantic provides fund accounting, fund administration, and transfer agency services to the Fund. Atlantic also provides certain shareholder report production, and EDGAR conversion and filing services. Pursuant to an Atlantic services agreement, the Fund pays Atlantic customary fees for its services. Atlantic provides a Principal Executive Officer, a Principal Financial Officer, a Chief Compliance Officer, and an Anti-Money Laundering Officer to the Fund, as well as certain additional compliance support functions.

**Trustees and Officers** – The Trust pays each independent Trustee an annual retainer fee of \$40,000 for service to the Trust (\$60,000 for the Chairman). In addition, the Chairman receives a monthly stipend of \$500 to cover certain expenses incurred in connection with his duties to the Trust. The Trustees and Chairman may receive additional fees for special Board meetings. Each Trustee is also reimbursed for all reasonable out-of-pocket expenses incurred in connection with his duties as a Trustee, including travel and related expenses incurred in attending Board meetings. The amount of Trustees’ fees attributable to the Fund is disclosed in the Statement of Operations. Certain officers of the Trust are also officers or employees of the above named service providers, and during their terms of office received no compensation from the Fund.

**Note 4. Fees Waived**

During the period, certain fund service providers have voluntarily agreed to waive a portion of their fees. These voluntary waivers may be reduced or eliminated at any time. For the six months ended June 30, 2010, fees waived were \$9,577.

**Note 5. Security Transactions**

The cost of purchases and proceeds from sales of investment securities (including maturities), other than short-term investments for the six months ended June 30, 2010, were \$9,900,640 and \$31,153,412, respectively.

**Note 6. Federal Income Tax and Investment Transactions**

As of December 31, 2009, distributable earnings (accumulated losses) on a tax basis were as follows:

Undistributed Ordinary Income	\$ 2,012,834
Unrealized Appreciation (Depreciation) on Investments and Foreign Currency	(50,564,444)
Capital and Other Losses	<u>(106,577,339)</u>
Total	<u><u>\$(155,128,949)</u></u>

The difference between components of distributable earnings on a tax basis and the amounts reflected in the Statement of Assets and Liabilities are primarily due to wash sales and investments in passive foreign investment companies.

For tax purposes, the prior year post-October loss was \$6,172,500 (realized during the period November 1, 2009, through December 31, 2009). This loss was recognized for tax purposes on the first business day of the Fund's fiscal year, January 1, 2010.

**Note 7. Recent Accounting Pronouncements**

In January 2010, the Financial Accounting Standards Board issued Accounting Standards Update ("ASU") No. 2010-06 "Improving Disclosures about Fair Value Measurements." ASU No. 2010-06 clarifies existing disclosure and requires additional disclosures regarding fair value measurements. Effective for fiscal years beginning after December 15, 2010, and for interim periods within those fiscal years, entities will need to disclose information about purchases, sales, issuances and settlements of Level 3 securities on a gross basis, rather than as a net number as currently required. Management is currently evaluating the impact ASU No. 2010-06 will have on financial statement disclosures.

**Note 8. Subsequent Events**

Subsequent events occurring after the date of this report have been evaluated for potential impact and the Fund has had no such events.

---

**POLARIS GLOBAL VALUE FUND****ADDITIONAL INFORMATION**JUNE 30, 2010

---

**Investment Advisory Agreement Approval**

At the March 19, 2010 Board meeting, the Board, including the Independent Trustees, considered the approval of the continuance of the investment advisory agreement pertaining to the Fund (the “Advisory Agreement”). In evaluating the Advisory Agreement for the Fund, the Board reviewed materials furnished by the Adviser and Atlantic, including information regarding the Adviser, its personnel, operations and financial condition. Specifically, the Board considered, among other matters: (1) the nature, extent and quality of the services to be provided to the Fund by the Adviser, including information on the investment performance of the Adviser; (2) the costs of the services to be provided and profitability to the Adviser with respect to its relationship with the Fund; (3) the advisory fee and the total expense ratio of the Fund compared to relevant peer groups of funds; (4) the extent to which economies of scale would be realized as the Fund grows and whether the advisory fee would enable the Fund’s investors to share in the benefits of economies of scale; and (5) other benefits received by the Adviser from its relationship with the Fund. In their deliberations, the Board did not identify any particular information that was all-important or controlling and attributed different weights to the various factors. In particular, the Board focused on the factors discussed below.

**Nature, Extent and Quality of Services**

In connection with a presentation from senior representatives of the Adviser and a discussion of the Adviser’s personnel, operations and financial condition, the Board considered the quality of services provided by the Adviser under the Advisory Agreement between the Trust and the Adviser. In this regard, the Board considered information regarding the experience, qualifications and professional background of the portfolio managers and other personnel at the Adviser with principal investment responsibility for the Fund’s investments as well as the investment philosophy and decision-making processes of those professionals and the capability and integrity of the Adviser’s senior management and staff. In this regard, the Board considered, among other things, the adequacy of the Adviser’s resources and quality of services provided by the Adviser under the Advisory Agreement.

The Board also considered the quality of the Adviser’s services with respect to regulatory compliance and compliance with client investment policies and restrictions; and the financial condition and operational stability of the Adviser. The Board noted the Adviser’s representation that the firm is financially stable and able to provide investment advisory services to the Fund.

The Board concluded that, overall, it was satisfied with the nature, extent and quality of services to be provided to the Fund under the Advisory Agreement.

**Costs of Services and Profitability**

The Board considered information provided by the Adviser regarding its costs of services and its profitability with respect to the Fund. In this regard, the Board considered the Adviser’s resources devoted to the Fund as well as the Adviser’s assessment of costs and profitability. Based on the foregoing and all other relevant facts, the Board concluded that the Adviser’s profits attributable to management of the Fund were not excessive in light of the services provided by the Adviser on behalf of the Fund.

**Performance**

In connection with a presentation by the Adviser regarding its approach to managing the Fund, the Board considered the Fund’s performance. The Board considered the Fund’s performance over the 1-year, 3-year and

---

**POLARIS GLOBAL VALUE FUND****ADDITIONAL INFORMATION**JUNE 30, 2010

---

since inception periods ended December 31, 2009, noting that the Fund had outperformed its benchmark over the one-year and since inception periods but underperformed its benchmark for the 3-year period. Given, among other things, the relatively volatile market during the last year and the Fund's performance during that period, the Board concluded that the Fund's performance was reasonable relative to its peers and benchmark and that the Fund and its shareholders could benefit from the Adviser's management of the Fund.

**Compensation**

The Board considered the Adviser's compensation for providing advisory services to the Fund and analyzed comparative information on fee rates, expenses and performance of similar mutual funds. The Board noted that the Adviser's actual advisory fee rate and the Fund's actual total expense ratio were higher than each of the relevant medians of the Fund's Lipper Inc. peer group. Under the circumstances, however, including the Fund's performance history, the Board concluded that the Adviser's advisory fee rate charged to the Fund was reasonable in light of the services it provides to the Fund.

**Economies of Scale**

The Board considered whether the Fund would benefit from any economies of scale. The Board noted the Adviser's representation that in the future may experience economies of scale in connection with the provision of services to the Fund, but is not contemplating breakpoints or changes in fees based on economies of scale at this time. Based on, among other things, the size of the Fund, the Board concluded that it would not be necessary to consider the implementation of fee breakpoints at this time.

**Other Benefits**

The Board noted the Adviser's representation that the Adviser does not expect to receive any kind of benefit or compensation from its relationship with the Fund, other than its contractual advisory fees. Based on the foregoing representation, the Board concluded that other benefits received by the Adviser from its relationship with the Fund were not a material factor to consider in approving the continuation of the Advisory Agreement.

**Conclusion**

The Board reviewed a memorandum from Trust counsel discussing the legal standards applicable to its consideration of the Advisory Agreement. Based on its review, including consideration of each of the factors referenced above, the Board determined, in the exercise of its business judgment, that the advisory arrangement, as outlined in the Advisory Agreement, was fair and reasonable in light of the services performed, expenses incurred and such other matters as the Board considered relevant in the exercise of its reasonable business judgment.

**Proxy Voting Information**

A description of the policies and procedures that the Fund uses to determine how to vote proxies relating to securities held in the Fund's portfolio is available, without charge and upon request, by calling (888) 263-5594 and on the SEC's website at [www.sec.gov](http://www.sec.gov). The Fund's proxy voting record for the most recent twelve-month period ended June 30 is available, without charge and upon request, by calling (888) 263-5594 and on the SEC's website at [www.sec.gov](http://www.sec.gov).

---

**POLARIS GLOBAL VALUE FUND****ADDITIONAL INFORMATION**JUNE 30, 2010

---

**Availability of Quarterly Portfolio Schedules**

The Fund files its complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-Q. The Fund's Forms N-Q are available, without charge and upon request on the SEC's website at [www.sec.gov](http://www.sec.gov) or may be reviewed and copied at the SEC's Public Reference Room in Washington, DC. Information on the operation of the Public Reference Room may be obtained by calling 1-800-SEC-0330.

**Shareholder Expense Example**

As a shareholder of the Fund, you incur two types of costs: (1) transaction costs, including redemption fees and exchange fees, and (2) ongoing costs, including management fees and other Fund expenses. This example is intended to help you understand your ongoing costs (in dollars) of investing in the Fund, and to compare these costs with the ongoing costs of investing in other mutual funds.

The example is based on an investment of \$1,000 invested at the beginning of the period and held for the entire period from January 1, 2010, through June 30, 2010.

**Actual Expenses** – The first line in the table below provides information about actual account values and actual expenses. You may use the information in this line, together with the amount you invested, to estimate the expenses that you paid over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the first line under the heading entitled "Expenses Paid During Period" to estimate the expenses you paid on your account during the period.

**Hypothetical Example for Comparison Purposes** – The second line of the table below provides information about hypothetical account values and hypothetical expenses based on the Fund's actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Fund's actual return. The hypothetical account values and expenses may not be used to estimate the actual ending balance or expenses you paid for the period. You may use this information to compare the ongoing cost of investing in the Fund and other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of other funds.

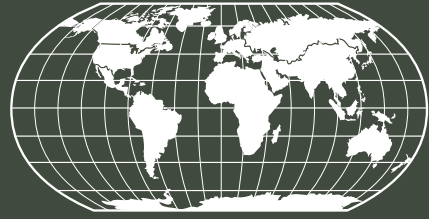
Please note that expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transactional costs, such as redemption fees and exchange fees. Therefore, the second line of the table is useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds. In addition, if these transactional costs had been included, your costs would have been higher.

	<u>Beginning Account Value January 1, 2010</u>	<u>Ending Account Value June 30, 2010</u>	<u>Expenses Paid During Period*</u>	<u>Annualized Expense Ratio*</u>
Actual	\$1,000.00	\$ 956.52	\$6.69	1.38%
Hypothetical (5% return before expenses)	\$1,000.00	\$1,017.95	\$6.90	1.38%

\* Expenses are equal to the Fund's annualized expense ratio as indicated above multiplied by the average account value over the period, multiplied by the number of days in the most recent fiscal half-year divided by 365 to reflect the half-year period.

[THIS PAGE INTENTIONALLY LEFT BLANK]





# Polaris Global Value Fund

## **INVESTMENT ADVISER**

Polaris Capital Management, LLC  
125 Summer Street  
Boston, MA 02110

## **DISTRIBUTOR**

Foreside Fund Services, LLC  
Three Canal Plaza, Suite 100  
Portland, ME 04101  
[www.foreside.com](http://www.foreside.com)

## **TRANSFER AGENT**

Atlantic Fund Administration, LLC  
P.O. Box 588  
Portland, ME 04112

This report is submitted for the general information of the shareholders of the Fund. It is not authorized for distribution to prospective investors unless preceded or accompanied by an effective prospectus, which includes information regarding the Fund's risks, objectives, fees and expenses, experience of its management and other information.

# **SEMI-ANNUAL REPORT**

June 30, 2010

(Unaudited)

# **Polaris**

**Capital Management, LLC**

<http://www.polarisfunds.com>

(888) 263-5594

225-SAR-0610