

# Polaris

April 14, 2005

Dear Fellow Shareholder,

The Polaris Global Value Fund (the “Fund”) advanced 0.95% in the first quarter of 2005 while the MSCI World (net) Index (“World, net”) declined -1.10%. The world equity markets exhibited “normal” volatility during the quarter, as markets were both up and down. The U.S. dollar appreciated against the developed world currencies, effectively hurting international equity returns when expressed in U.S. dollars.

Despite this negative impact on international stock returns, the U.S. market continued to underperform compared to international markets. During the first quarter, the MSCI USA Index declined -2.02% while the MSCI EAFE (Europe, Australasia, Far East) Index declined -0.10%. It is noteworthy that countries that produced and exported oil and basic materials performed better than countries that consumed such products. Equity markets in Norway, Canada and Australia advanced 4.76%, 3.68%, and 2.19%, while the U.S., Japan, and Germany declined -2.02%, -2.35%, and -2.21% respectively. On a recent research trip to the gas-rich country of Qatar, Polaris’ management felt economic activity there was noticeably more positive than the activity in the oil-consuming U.S.



The performance of the Fund reflected this trend. The best performing sectors of the Fund were oil and basic materials holdings in Canada, Australia, and Norway. Specific holdings that advanced include BHP Billiton, Methanex, Yara International ASA, Valkyries Petroleum, ENI, Repsol, and Maruichi Steel Tube. Shipping investments continued to contribute to performance as well as several industrial companies in the U.S. and Europe.

Returns benefited from merger and other corporate activity including the purchase of a controlling stake in Banknorth Group Inc. by Toronto Dominion Bank of Canada. Central Parking announced it would seek to increase shareholder value and hired Morgan Stanley for investment banking services. German auto parts maker Continental AG rose strongly on continued productivity gains and efforts to stem losses in its U.S. operations.

Partially offsetting portfolio gains were declines in telecom investments, paper stocks, and bank stocks in the U.S. and Europe. One exception to weak bank stock performance was a Norwegian bank that rose with stronger economic activity in that country. The continued rise in U.S. interest rates led to a decline in banking stocks around the world and in the Fund’s portfolio.

In our opinion, the reaction to sell banks stocks due to higher interest rates is often wrong and can present a buying opportunity. Notwithstanding concerns of borrowers’ ability to repay loans as interest rates rise, when the price of borrowing money goes up, lenders should make more money. Only a very small percentage of borrowers default on their loans as a result of higher rates -- most will make loan payments at higher rates. The dynamics of rising rates on the asset and liability management of banks is a complex discussion but banks have clearly demonstrated their ability to manage net interest margins in many different interest rate environments. Many small- and medium-sized bank stocks in the U.S. should decline since valuations are high and some corrections are warranted. Large banks represent good value.

Although banks and utilities are “interest rate sensitive” industries, investors viewed these sectors entirely differently. Banking stocks were sold off in larger quantities, steeped in concern over rising rates. Investor

behavior proved contradictory with regard to utilities. Utilities typically borrow against a large portion of their assets. In addition, utilities consume large quantities of energy, the price of which has clearly increased. If concern about higher rates drove the ultimate decision for the bank sell-off, one would assume the same of utilities. However, utility stocks advanced during the quarter. The MSCI Utility index advanced 2.2% while the MSCI Banks index declined 3.7%. After a period of higher energy prices, utility rates are increasing as they pass along higher energy costs to consumers. The Fund's utility holdings gained.

The following table summarizes the Fund's performance for various reporting periods. The Fund continues to maintain a satisfactory performance margin over its benchmark for the inception-to-date (7/31/89), 1, 3, 5 and 10-year time periods. It has been five years since the peak of the now famous TMT (telecom, media and technology) bubble; five-year returns for many indexes and funds are still showing negative annualized returns since March 2000. The Fund's inception-to-date performance has exceeded benchmark market returns with lower risk as measured by the beta statistic. The beta statistic measures volatility of returns relative to a benchmark of monthly returns. The Fund's beta of monthly returns since inception relative to the MSCI World Index (gross) and the S&P 500 Index is 0.79 and 0.75, respectively.

	2005		As of March 31, 2005				
	YTD	Q1	1 Yr	3 Yrs	5 Yrs	10 Yrs	ITD
Polaris Global Value Fund [1]	0.95%	0.95%	15.59%	17.33%	13.91%	14.99%	11.93%
MSCI World Index, net dividends reinvested	-1.10%	-1.10%	10.56%	6.43%	-2.86%	7.47%	6.49%

*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 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. Shares redeemed or exchanged within 180 days of purchase will be charged a 1.00% fee. Fund performance shown for periods of 180 days or less does not reflect this fee; otherwise, if reflected, these returns would have been lower. Returns greater than 1 year are annualized. See p.3 for additional disclosure.*

### FIRST QUARTER 2005 ASSET ALLOCATION:

The Consumer Discretionary weighting declined as a result of the sale of one position. Other weightings were rebalanced as fund inflows were invested in existing holdings.

The following table shows the Fund's asset allocation at March 31, 2005.

	Polaris Global Value Fund Asset Allocation													
	World Market Weighting	Portfolio Weighting	Energy	Utilities	Materials	Industrials	Consumer Discretionary	Consumer Staples	Health Care	Financials	Information Technology	Telecom. Services	Other	Cash
N. America	55.38%	38.05%	0.38%	3.10%	1.33%	5.86%	3.51%	0.00%	3.87%	17.84%	0.88%	1.27%	0.00%	0.00%
Japan	9.60%	5.22%	0.00%	2.71%	1.36%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.15%	0.00%	0.00%
Other Asia	3.52%	4.84%	0.00%	0.00%	1.30%	0.00%	0.00%	0.00%	0.00%	2.32%	1.23%	0.00%	0.00%	
Europe	29.10%	25.37%	2.66%	0.00%	2.64%	2.58%	10.86%	1.40%	0.00%	3.88%	0.00%	1.35%	0.00%	0.00%
Scandinavia	2.41%	12.05%	0.00%	0.00%	4.06%	5.33%	1.35%	0.00%	0.00%	1.31%	0.00%	0.00%	0.00%	0.00%
Africa & S. America	0.00%	3.95%	1.29%	0.00%	2.66%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Cash	0.00%	10.52%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	10.52%
Industry Totals		100.00%	4.33%	5.81%	13.35%	13.78%	15.71%	1.40%	3.87%	23.04%	3.20%	5.00%	0.00%	10.52%
Market Weighting	100.00%		9.02%	4.08%	5.46%	10.66%	12.13%	8.75%	10.34%	23.95%	10.93%	4.67%	0.00%	0.00%

### INVESTMENT STRATEGY

The research process continues to uncover a long list of very good potential investments. The list continues to be dominated by non-U.S. companies. Japan and Korea are countries under review; sectors currently showing good value include energy, shipping, ship-building, and various industrial sectors continue to show up in the research process. In order to follow up on these opportunities, research trips to Japan and Qatar were directed. Portfolio changes are being implemented during the start of the second quarter.

### Another Word About the U.S. Dollar

The Fund's Fourth Quarter 2004 report made several points about how investors in the Fund, and global and international funds generally, should think about currency fluctuations and appropriate investment strategies. The report stated: "First, global or international investment should be made to achieve diversification around the world, not to serve as a short-term currency play... currency markets are notoriously hard to predict." At the end of 2004, most economists predicted the U.S. dollar plunge in 2005 -- in fact, the dollar reversed course and strengthened! Our position remains constant: global and international funds should be used to achieve good diversification and to participate in areas of economic activity that complement one's home country.

As always, we welcome your questions and comments.

Sincerely,



Bernard R. Horn, Jr.  
Portfolio Manager

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. **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.**

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 first 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.

The Fund was awarded the 2005 Lipper Fund Award in the Global Multi-Cap Value category. The Fund was measured against 17 peer funds for the three-year period ended December 31, 2004. Lipper presents the award each calendar year to one fund in each category that has achieved a strong trend of risk-adjusted returns relative to other funds in its category.

As of March 31, 2005, the Fund's top 10 holdings and the percentages they represent in the Fund's portfolio market value are as follows:

<u>Issuer</u>	<u>Percentage of Market Value</u>
Central Parking Corp.	1.59%
TXU Corp.	1.46%
Yara International ASA	1.42%
HF Financial Corp.	1.41%
Crest Nicholson plc	1.40%
Camillo Eitzen & Co.	1.40%
Wellpoint Health Networks, Inc.	1.39%
Continental AG	1.39%
UPM-Kymmene Oyj	1.37%
Greencore Group plc	1.37%

The MSCI World, EAFE, and USA Indexes, net dividends reinvested ("MSCI World, net") 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, net is unmanaged and does include the reinvestment of dividends, net of withholding taxes. The MSCI World, EAFE, Europe and USA Indexes measure the performance of stock markets in these geographic areas including reinvestment of gross dividends. The S&P 500 Index is a broad-based, unmanaged measurement of changes in stock market conditions based on the average of 500 widely held common stocks. One cannot invest directly in an index.

The views in this report were those of the Fund manager as of March 31, 2005, and may not reflect the views of the manager on the date this letter is first published or anytime thereafter. These views are intended to assist shareholders of the Fund in understanding their investment and do not constitute investment advice. This letter must be preceded or accompanied by a current Fund prospectus. Foreside Fund Services, LLC, is the Fund's Distributor.

The Fund's annual performance is as follows:

	<u>Calendar Year Annual Returns as of December 31, 2004</u>					
	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
Polaris Global Value Fund	16.50%	-5.82%	2.21%	3.82%	47.06%	23.63%
MSCI World Index	24.93%	-13.18%	-16.82%	-19.89%	33.11%	14.72%

# Polaris

Global Value Fund

July 15, 2005

Dear Fellow Shareholder,

The Polaris Global Value Fund (the "Fund") declined 0.27% in the second quarter of 2005, while the MSCI World (net) Index ("World, net") advanced 0.42%. The Fund's performance year-to-date is 0.68% versus the World, net of -0.70%.



For the first time in the past year, the U.S. market outperformed international markets. During the second quarter, the MSCI USA Index rose 1.66%, while the MSCI EAFE (Europe, Australasia, Far East) Index declined .75%. In local currencies, the EAFE Index advanced 4.82% but because the U.S. dollar appreciated about 5.5% against other currencies in the index, returns on international equities were lower after translation into U.S. dollars. As Fund management has previously stated, a rise in the U.S. dollar could have a negative impact on international returns for a single quarter or year. However, the impact that currency gains and losses have on total equity returns is immaterial (approximately 0.1% over the last 10 or more years).

The following table summarizes the Fund's performance for various reporting periods. The Fund continues to maintain a satisfactory performance margin over its benchmark for the inception-to-date (7/31/89), 1-, 3-, 5- and 10-year time periods. The Fund's inception-to-date performance has exceeded benchmark returns with lower market risk as measured by the beta statistic of 0.79 since Fund inception (volatility measurement relative to the MSCI World Index).

	2005			As of June 30, 2005				
	YTD	QII	QI	1 Yr	3 Yrs	5 Yrs	10 Yrs	ITD
Polaris Global Value Fund [1]	0.68%	-0.27%	0.95%	14.75%	17.72%	13.67%	13.71%	11.71%
MSCI World Index, net dividends reinvested	-0.70%	0.42%	-1.11%	10.05%	10.04%	-2.08%	7.07%	6.42%

*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 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). Shares redeemed or exchanged within 180 days of purchase will be charged a 1.00% fee. Fund performance shown for periods of 180 days or less does not reflect this fee; otherwise, if reflected, these returns would have been lower. Returns greater than 1 year are annualized. See p.3 for additional disclosure.*

## SECOND QUARTER 2005 PERFORMANCE ANALYSIS:

In the second quarter, the Fund's mixed results reflected offsetting performance from different holdings within the portfolio. The best performing sectors included healthcare, energy/resource and financial holdings, many of which are headquartered in the U.S. and South Africa.

Although U.S. holdings represent only 35% of the Fund's portfolio, U.S. holdings advanced over 3%. Managed health care stocks Pacificare Health Systems, Unitedhealth Group, Inc., and Wellpoint, Inc. advanced over 28%, 9%, and 11% respectively. Health insurance premiums continued to advance strongly while costs for the biggest, well-managed firms remained contained within premium increases. At this writing Pacificare announced it will be acquired by Unitedhealth. U.S. bank investments performed well

(Astoria Financial, Colony Bancorp and Southwest Bancorp, to name a few), as did title insurance company Stewart Information Services. U.S. electrical distribution company WESCO International, Inc. gained as a result of strengthening business conditions in construction, investments by utilities, and solid cost containment. In addition, U.S. utility investments including FPL Group and TXU Corp. positively contributed to the Fund's performance.

The Fund's global cement holding (with headquarters in Mexico), Cemex SA advanced soon after purchase - as current demand greatly exceeds the capacity of cement production. Selected South African resource companies including Impala Platinum Holdings Ltd. and Sasol Limited advanced within the platinum and energy industries respectively.

The Fund experienced sector declines within telecom, shipping and paper investments. Paper stocks, including Svenska Cellulosa Aktiebolaget (SCA) and UPM-Kymmene Oyj, were negatively affected due to a union strike and lockout in Finland. The Fund's sole shipping stock, Camillo Eitzen & Company of Norway, declined when shipping rates fell in the second quarter. In addition, stock of one British homebuilder, Crest Nicholson PLC, dropped when the company declined a buy-out offer. A number of resource company investments declined due to investor concern of a global economic slowdown; investor pessimism affected April results and stocks slowly rebounded in May and June.

One of the few U.S. stocks to underperform during the quarter was Central Parking. The company hired an investment bank to explore the sale of the firm but subsequently announced that it did not receive offers attractive enough to encourage the major stockholder and manager to sell.

#### SECOND QUARTER 2005 ASSET ALLOCATION:

The portfolio was adjusted in several areas during the quarter. In the energy sector, Valkyries Petroleum Corp., a small energy company that had performed very well, was sold and replaced by a larger, better-valued energy company Marathon Oil Corp. -- resulting in a higher exposure to the sector. Previously, the Fund had been underweight in the energy sector primarily due to more attractive opportunities in the materials sector.

Within the past six months, the investment process has identified numerous energy sector stocks. However, due to the rapid increase in oil prices over the last year, Fund management was reluctant to add to positions in a rising market. Furthermore, research indicated oil prices may correct. Since the Fund was already heavily invested in other resource companies, new energy investments were approached cautiously.

Investments were sold in real estate where prices have reached very high levels in some local markets. Our research echoed concerns expressed by Federal Reserve Chairman Alan Greenspan who stated in recent meetings that there are "signs of froth in some local markets where home prices seem to have risen to unsustainable levels." We sold Allete because the stock price discounted expectations that real estate prices in Florida would continue to rise at rates we consider unsustainable.

Late in the quarter, Fund management initiated the purchase of other companies with cash raised from sales. Remaining sales added to cash accumulated from investor purchases of Fund shares.

The following table shows the Fund's asset allocation at June 30, 2005.

Polaris Global Value Fund Asset Allocation													
World Market Weighting	Portfolio Weighting												
	Energy	Utilities	Materials	Industrials	Consumer Discretionary	Consumer Staples	Health Care	Financials	Information Technology	Telecom. Services	Other	Cash	
N. America	56.60%	37.69%	1.29%	2.70%	2.40%	5.00%	3.61%	0.00%	4.35%	17.10%	0.00%	1.22%	0.00%
Japan	9.46%	5.63%	0.00%	2.43%	2.37%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.83%	0.00%
Other Asia	3.63%	4.68%	0.00%	0.00%	1.12%	0.00%	0.00%	0.00%	0.00%	0.00%	2.24%	1.31%	0.00%
Europe	27.95%	22.39%	2.46%	0.00%	2.41%	2.08%	9.52%	1.32%	0.00%	3.62%	0.00%	0.99%	0.00%
Scandinavia	2.37%	11.70%	0.00%	0.00%	3.48%	5.40%	1.16%	0.39%	0.00%	1.28%	0.00%	0.00%	0.00%
Africa & S. America	0.00%	3.82%	1.46%	0.00%	2.36%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Cash	0.00%	14.09%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	14.09%
Industry Totals		100.00%	5.21%	5.13%	14.15%	12.47%	14.29%	1.70%	4.35%	22.00%	2.24%	4.35%	0.00%
Market Weighting	100.00%		9.34%	4.22%	5.07%	10.16%	12.16%	8.49%	10.71%	24.07%	11.19%	4.59%	0.00%

## INVESTMENT ENVIRONMENT AND INVESTMENT STRATEGY:

For the first time in more than a year, U.S. stocks outperformed international equities (per the corresponding indices) on the back of a burgeoning U.S. economy. However, Fund management considers many U.S. large- and mid-cap companies to be overvalued - and the situation is only further exacerbated by the appreciating dollar.

A revitalized U.S. economy is a typical precursor to a rebound in other world markets - this cycle has been no different. Following nearly 65 meetings/conversations with company management teams across the globe, Polaris' Fund management believes that the global economies are continuing to strengthen at a measured pace.

One benefactor of the growing economy: resource stocks, which have soared on the back of high oil prices and a multi-year rally in the metal market. Careful bottom-up stock analysis has identified platinum, paper, energy and base materials as continuing to offer excellent risk/return opportunities. Polaris expects resource pricing will remain at reasonable levels for the near term based on: 1) demand from growing economies of China/India, which should keep prices from falling, 2) oil fields are scarce, putting a floor on pricing and 3) materials/energy companies are experiencing capacity constraints and supply disruptions - many resource inventories remain at record lows.

The Fund's portfolio, which is typically diversified among 15 sectors in 15 countries, has a slightly overweight position in the resource sector currently. However, there are many other sectors such as healthcare, auto parts, home building and telecommunications thriving in this new economic era. Unconstrained by country, industry or market-capitalization parameters, Fund management continues to reviews stocks that meet Polaris' strict value criteria and requisite sustainable cash flow demands. Potential for positive returns continues to drive the team at the Polaris Global Value Fund.

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 first 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.

The Fund was awarded the 2005 Lipper Fund Award in the Global Multi-Cap Value category. The Fund was measured against 17 peer funds for the three-year period ended December 31, 2004. Lipper presents the award each calendar year to one fund in each category that has achieved a strong trend of risk-adjusted returns relative to other funds in its category.

*As of June 30, 2005, the Fund's top 10 holdings and the percentages they represent in the Fund's portfolio market value are as follows:*

Issuer	Percent of Market Value
1. Pacific Health Systems, Inc.	1.58%
2. YIT-Yhtyma Oyj	1.48%
3. Sasol, Ltd.	1.46%
4. KCI Konecranes Oyj	1.42%
5. Astoria Financial Corp.	1.41%
6. WESCO International, Inc.	1.41%
7. Stewart Information Services Corp.	1.41%
8. Wellpoint Health Networks, Inc.	1.40%
9. TXU Corp.	1.38%
10. UnitedHealth Group, Inc.	1.37%

The MSCI World, EAFE, and USA Indexes, net dividends reinvested ("MSCI World, net") 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, net is unmanaged and does not include the reinvestment of dividends, net of withholding taxes. The MSCI World, EAFE, Europe and USA Indexes measure the performance of stock markets in these geographic areas including reinvestment of gross dividends. The S&P 500 Index is a broad-based, unmanaged measurement of changes in stock market conditions based on the average of 500 widely held common stocks. One cannot invest directly in an index.

The views in this report were those of the Fund manager as of June 30, 2005, and may not reflect the views of the manager on the date this letter is first published or anytime thereafter. These views are intended to assist shareholders of the Fund in understanding their investment and do not constitute investment advice. This letter must be preceded or accompanied by a current Fund prospectus. Foreside Fund Services, LLC, is the Fund's Distributor.



The Fund's annual performance is as follows:

	Calendar Year Annual Returns as of December 31, 2004						
	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	2004	<u>YTD</u>
Polaris Global Value Fund	16.50%	-5.82%	2.21%	3.82%	47.06%	23.63%	0.68%
MSCI World Index	24.93%	-13.18%	-16.82%	-19.89%	33.11%	14.72%	-0.70%

# Polaris

## Global Value Fund

October 13, 2005

Dear Fellow Shareholder,

The Polaris Global Value Fund (the "Fund") advanced 7.32% in the third quarter of 2005, while the MSCI World (net) Index ("World, net") advanced 6.98%. The Fund's performance year-to-date is 8.04% versus the World, net of 6.24%.

The following table summarizes the Fund's performance for various reporting periods. The Fund continues to maintain a satisfactory performance margin over its benchmark for the inception-to-date (7/31/89), 1-, 3-, 5- and 10-year time periods. The Fund's inception-to-date performance has exceeded benchmark returns with lower market risk as measured by the beta statistic of 0.79 since Fund inception (volatility measurement relative to the MSCI World Index).



	2005				As of September 30, 2005				
	YTD	Q III	Q II	Q I	1 Yr	3 Yrs	5 Yrs	10 Yrs	ITD
Polaris Global Value Fund	8.04%	7.32%	(0.27)%	0.95%	21.65%	27.94%	16.16%	13.38%	12.01%
MSCI World Index, net dividends reinvested	6.24%	6.98%	0.41%	(1.10)%	18.93%	20.42%	0.28%	7.21%	6.76%

*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 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). Shares redeemed or exchanged within 180 days of purchase will be charged a 1.00% fee. Fund performance shown for periods of 180 days or less does not reflect this fee; otherwise, if reflected, these returns would have been lower. Returns greater than 1 year are annualized. See p.4 for additional disclosure.*

The Fund was awarded the 2005 Lipper Fund Award in the Global Multi-Cap Value category. The Fund was measured against 17 peer funds for the three-year period ended December 31, 2004. Lipper presents the award each calendar year to one fund in each category that has achieved a strong trend of risk-adjusted returns relative to other funds in its category.

### THIRD QUARTER 2005 PERFORMANCE ANALYSIS:

In the third quarter, the Fund's results reflected strength in material and energy holdings. Electronic, industrial, shipping, utilities, and auto related investments also advanced, with most holdings higher by more than 10%. Approximately 75% of the Fund's portfolio advanced, indicating the third quarter gain was broad based. Approximately 25% of the portfolio declined, represented primarily by financial services and to a lesser degree selected U.S. auto related and global telecommunications holdings.

Geographically, the best performing portfolio components were South Africa, Mexico, Japan, Korea and Europe, and the U.S.; Canada and U.S. financial stocks were the more prominent declines.

### THIRD QUARTER 2005 ASSET ALLOCATION:

The primary change in portfolio allocation during the quarter was the investment of cash, which was spread equally among the current holdings. A new holding was added in the industrial sector.

The following table shows the Fund's asset allocation at September 30, 2005.

	Polaris Global Value Fund Asset Allocation													
	World Market Weighting	Portfolio Weighting	Energy	Utilities	Materials	Industrials	Consumer Discretionary	Consumer Staples	Health Care	Financials	Information Technology	Telecom. Services	Other	Cash
N. America	55.14%	38.61%	1.43%	3.01%	2.65%	6.13%	3.76%	0.00%	4.20%	16.17%	0.00%	1.27%	0.00%	0.00%
Japan	10.61%	6.86%	0.00%	2.63%	2.89%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.33%	0.00%	0.00%
Other Asia	3.69%	5.59%	0.00%	0.00%	1.43%	0.00%	0.00%	0.00%	0.00%	0.00%	2.79%	1.36%	0.00%	0.00%
Europe	28.12%	24.62%	2.77%	0.00%	2.56%	2.49%	10.39%	1.27%	0.00%	3.90%	0.00%	1.23%	0.00%	0.00%
Scandinavia	2.44%	12.59%	0.00%	0.00%	3.94%	5.77%	1.24%	0.40%	0.00%	1.25%	0.00%	0.00%	0.00%	0.00%
Africa & S. America	0.00%	4.68%	1.79%	0.00%	2.89%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Cash	0.00%	7.05%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	7.05%
Industry Totals		100.00%	5.98%	5.64%	16.37%	14.39%	15.39%	1.67%	4.20%	21.32%	2.79%	5.19%	0.00%	7.05%
Market Weighting	100.00%		10.25%	4.22%	5.40%	10.24%	11.79%	8.36%	10.39%	23.88%	11.03%	4.45%	0.00%	0.00%

Table may not foot due to rounding.

### INVESTMENT ENVIRONMENT AND INVESTMENT STRATEGY:

On a recent research trip to China, the Fund's analysts visited new world-class paper mills constructed to accommodate rapid growth in the country, as well as Asia in general. Growth is evident everywhere in China, but the strains of such growth (clean air/clean water/energy shortages) are also evident. Discussions with resource and material sector companies gave Fund management confidence that China and Asia will continue to provide growth for the world economy. However, concerns exist that some of these economies may fall victim to the dramatic cash flow requirements needed to purchase oil at the current high prices.

The Fund management has become concerned about the impact of high oil prices. Rising oil prices prove costly at the gasoline pumps, as U.S. consumers pay nearly \$3 a gallon. In reviewing the cost of a tank of gas at current prices, our analysts determined that the additional cost of filling the average American's gas tank could wipe out the annual savings for an average family. This will have an effect on the ability of consumers to purchase the goods companies sell. Moreover, these dramatic oil changes prove to be equally pervasive on an international scale. In fact, the trade balance of nations (a country's exports minus its imports) is shifting between oil consumers and oil producers – with the potential to alter the economic power among the world's economies.

The Fund's research team witnessed this shift during recent overseas travels, when analysts met with companies in Qatar, Norway, Sweden, Japan, and China. While focused on bottom-up stock picking, the research team noted that the dramatic shift in trade balances could impact stock analysis and portfolio holdings.

In order to analyze the cash flow shift among countries, Fund analysts conducted a review of oil consumption, trade balances, and Gross National Income for the largest economies of the world. Oil prices have risen from \$25/bbl in April 2003 to \$65/bbl today. The impact this \$40 change in oil price has on the cash flow of countries is presented for the most effected countries in the table below.

Country	2004 Trade Balance	Impact of a \$40/bbl increase in oil on Trade Balance (USD - M)	\$40 oil price increase as % of trade balance	Resulting Trade Balance after \$40/bbl increase in oil (mill USD)	\$40 oil price increase as % of Gross National Income
Austria	124	(4,145)	-3342%	(4,021)	-1.58%
Italy	(976)	(25,786)	-2642%	(26,762)	-1.71%
Taiwan	5,819	(12,685)	-218%	(6,866)	-4.01%
Philippines	(2,656)	(4,521)	-170%	(7,177)	-4.66%
France	(18,045)	(27,723)	-154%	(45,768)	-1.49%
China	32,756	(46,626)	-142%	(13,870)	-2.78%
India	(22,274)	(25,344)	-114%	(47,618)	-3.76%
Korea, Rep.	29,382	(33,289)	-113%	(3,907)	-4.95%
United States	(707,160)	(193,832)	-27%	(900,992)	-1.60%
United Kingdom	(110,084)	3,987	4%	(106,097)	0.20%
Canada	31,368	12,834	41%	44,202	1.42%
Argentina	12,133	5,293	44%	17,426	3.72%
Qatar	10,696	13,228	124%	23,923	48.63%
Russian Federation	77,514	97,984	126%	175,498	20.11%
Norway	33,670	43,498	129%	77,168	18.25%
Saudi Arabia	81,211	129,297	159%	210,508	53.39%
Mexico	(17,539)	28,152	161%	10,613	4.00%
Algeria	14,099	24,687	175%	38,786	33.51%
Nigeria	16,984	31,930	188%	48,914	59.15%
Venezuela, RB	17,250	35,090	203%	52,340	33.43%
Libya	5,700	20,002	351%	25,702	79.19%
Iran, Islamic Rep.	6,900	36,938	535%	43,838	23.99%

Sources: British Petroleum Statistical Review; U.S. Energy Information Administration, (U.S. Dept. of Energy); International Monetary Fund; World Bank; Polaris Capital Management, Inc.

The table illustrates how much cash is being transferred from oil consumers to oil producers at current prices. Countries that were considered winners in global trade seem to be experiencing a reversal of cash flow and fortune. For instance, China generated a \$32 billion trade surplus in 2004, but will need \$46 billion to pay for its oil consumption after a \$40 per barrel price increase. The result: China's trade surplus could reverse to a trade deficit with broad implications for its ability to sustain its economic growth rate, its currency peg with the U.S. dollar, infrastructure development and so on. Since the trade deficit is only one aspect of a country's economy, Fund analysts also reviewed the impact of the increased oil bill on Gross National Income (GNI), a broader measure of total economic activity. For China, the increased oil expenditures will represent just under 3% of gross national income, a material impact on economic growth.

Other countries may also experience problems paying for oil. Italy, already having difficulty adjusting to the economic union with the rest of Europe, appears to be facing a large oil bill, as is France. The small economies of Taiwan and Philippines will need over 4% of GNI to pay for oil.

As the world's largest oil consumer, the U.S. is also affected. On top of the \$700 billion trade deficit (data as of 2004), the U.S. will need to come up with an additional \$193 billion per year for oil over what it was spending when oil was \$25/barrel. This puts the U.S. trade deficit at approximately \$900 billion --

notwithstanding the U.S. budget deficit or costs associated with the Iraq War and hurricanes Katrina and Rita. Further, the domestic production of oil and gas and the refining assets of the U.S. have been disrupted by the Gulf Coast hurricanes, which could exacerbate the need for imported oil.

In contrast, oil producing countries are accumulating cash at a record pace including Qatar, Russia, Saudi Arabia, Venezuela, Mexico, Norway, and Iran to name some of the largest. These countries do not have large domestic economies that could stimulate world economic growth.

Oil is one of most widely used resources in the world; current oil pricing and export/import conditions are impacting the world economies and the overall investment environment. While mainly focused on bottom-up stock picking, the Fund's investment manager will incorporate these broader economic factors into the investment strategy. The portfolio is already positioned and benefiting from its exposure to the energy and materials sectors. Management remains optimistic about the valuations and prospects of the Fund's holdings in these companies and continues to find new opportunities through the research process.

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 first 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 September 30, 2005, the Fund's top 10 holdings and the percentages they represent in the Fund's portfolio market value are as follows:

<u>Issuer</u>	<u>Percentage of Market Value</u>
Sasol, Ltd.	1.79%
YIT-Yhtyma Oyj	1.61%
TXU Corp.	1.61%
Showa Denko KK	1.55%
Pacificare Health Systems, Inc.	1.51%
Impala Platinum Holdings, Ltd.	1.48%
Stewart Information Services Corp.	1.47%
Repsol YPF SA	1.44%
Marathon Oil Corp.	1.43%
Samsung SDI Co., Ltd.	1.41%

The MSCI World, EAFE, and USA Indexes, net dividends reinvested ("MSCI World, net") 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, net is unmanaged and does include the reinvestment of dividends, net of withholding taxes. The MSCI World, EAFE, Europe and USA Indexes measure the performance of stock markets in these geographic areas including reinvestment of gross dividends. The S&P 500 Index is a broad-based, unmanaged measurement of changes in stock market conditions based on the average of 500 widely held common stocks. One cannot invest directly in an index.

The views in this report were those of the Fund manager as of September 30, 2005, and may not reflect the views of the manager on the date this letter is first published or anytime thereafter. These views are intended to assist shareholders of the Fund in understanding their investment and do not constitute investment advice. This letter must be preceded or accompanied by a current Fund prospectus. Foreside Fund Services, LLC, is the Fund's Distributor.

The Fund's annual performance is as follows:

	<u>Calendar Year Annual Returns as of December 31,</u>					
	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
Polaris Global Value Fund	16.50%	-5.82%	2.21%	3.82%	47.06%	23.63%
MSCI World Index	24.93%	-13.18%	-16.82%	-19.89%	33.11%	14.72%

# Polaris

Global Value Fund

January 12, 2006

Dear Fellow Shareholder,

The Polaris Global Value Fund (the “Fund”) advanced 2.30% in the fourth quarter of 2005, 76 basis points (.76%) behind the MSCI World (net) Index (“World, net”) that advanced 3.06%. The Fund’s performance for the calendar year 2005 of 10.52% exceeded the World, net Index return of 9.49%.



The following table summarizes the Fund’s performance for various reporting periods. The Fund continues to maintain a satisfactory performance margin over its benchmark for the inception-to-date (7/31/89), 1-, 3-, 5- and 10-year time periods. The Fund’s inception-to-date performance has exceeded benchmark returns with lower market risk, as measured by the beta statistic, of 0.79 since Fund inception (volatility measurement relative to the MSCI World Index).

	2005					As of December 31, 2005				
	YTD	QIV	QIII	QII	QI	1 Yr	3 Yrs	5 Yrs	10 Yrs	ITD
<b>Polaris Global Value Fund</b>	<b>10.52%</b>	<b>2.30%</b>	<b>7.32%</b>	<b>-0.27%</b>	<b>0.95%</b>	<b>10.52%</b>	<b>26.19%</b>	<b>16.35%</b>	<b>13.47%</b>	<b>11.97%</b>
MSCI World Index, net dividends reinvested	9.49%	3.06%	6.98%	0.41%	-1.10%	9.49%	18.69%	2.18%	7.04%	6.85%

*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 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). Shares redeemed or exchanged within 180 days of purchase will be charged a 1.00% fee. Fund performance shown for periods of 180 days or less does not reflect this fee; otherwise, if reflected, these returns would have been lower. Returns greater than 1 year are annualized. See p.4 for additional disclosure.*

The Fund was awarded the 2005 Lipper Fund Award in the Global Multi-Cap Value category. The Fund was measured against 17 peer funds for the three-year period ended December 31, 2004. Lipper presents the award each calendar year to one fund in each category that has achieved a strong trend of risk-adjusted returns relative to other funds in its category.

#### FOURTH QUARTER 2005 PERFORMANCE ANALYSIS:

In the fourth quarter, the Fund’s results were mostly affected by the strong performance of British home builders. Investments in metals and chemicals companies contributed measurably as well as electronics companies in Korea. In the United States several different companies helped quarterly results including the merger of two managed care holdings (United Health acquired Pacificare), Wesco, an electrical wholesaler, and Toro, the lawn equipment manufacturer.

Partially offsetting these increases were auto manufacturers and companies related to energy. Norwegian company Yara International ASA, one of the world’s largest fertilizer producers fell about 20% after advancing 37% in the first nine months. Yara was temporarily affected by drought conditions in some of its markets and rising energy prices caused input costs to rise in the second half. Likewise, U.S. utilities FPL

Group and TXU Corp declined 11-12% in the fourth quarter after advancing 27% and 74% respectively in the first nine months. FPL Group will acquire Baltimore-based Constellation Energy Group, Inc.

Geographically, the best performing areas in the portfolio were Canada, Britain, Korea, Mexico, and South Africa. The U.S. and Europe advanced slightly while Norway and Japan declined.

#### FOURTH QUARTER 2005 ASSET ALLOCATION:

Portfolio changes in the quarter included reductions in Britain, Italy, and Japan and additions in Belgium and South Africa. Less than 4% of the portfolio was in cash and equivalents at year-end primarily awaiting investment in new research ideas.

The following table shows the Fund's asset allocation at December 31, 2005.

World Market Weighting	Polaris Global Value Fund Asset Allocation													
	Portfolio Weighting	Energy	Utilities	Materials	Industrials	Consumer Discretionary	Consumer Staples	Health Care	Financials	Information Technology	Telecom. Services	Other	Cash	
N. America	54.69%	41.06%	1.29%	2.66%	2.91%	9.82%	1.28%	0.00%	3.92%	17.82%	0.00%	1.36%	0.00%	
Japan	11.62%	5.62%	0.00%	2.67%	2.95%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
Other Asia	3.58%	5.42%	0.00%	0.00%	1.35%	0.00%	0.00%	0.00%	0.00%	0.00%	2.81%	1.25%	0.00%	
Europe	27.69%	24.77%	1.32%	0.00%	4.10%	1.31%	11.33%	1.31%	0.00%	4.02%	0.00%	1.39%	0.00%	
Scandinavia	2.42%	14.15%	0.00%	0.00%	3.98%	6.93%	1.36%	0.53%	0.00%	1.35%	0.00%	0.00%	0.00%	
Africa & S. America	0.00%	5.12%	1.47%	0.00%	3.66%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
Cash	0.00%	3.86%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	3.86%	
Industry Totals		100.00%	4.08%	5.33%	18.94%	18.06%	13.97%	1.84%	3.92%	23.19%	2.81%	4.00%	0.00%	3.86%
Market Weighting	100.00%		9.20%	3.96%	5.61%	10.54%	11.76%	8.21%	10.27%	25.01%	11.21%	4.22%	0.00%	0.00%

Table may not foot due to rounding.

#### CALENDAR YEAR 2005 PERFORMANCE ANALYSIS:

The year 2005 was the sixth consecutive year the Fund's performance exceeded its benchmark, and has done so for 12 of its 16 years since inception as a private limited partnership in 1989 (please refer to the disclosure on page 4 for a discussion of the limited partnership's reorganization into the Fund). 2005 was a somewhat unusual year in global equity markets with nearly all markets around the world showing positive returns, however the largest developed markets performed modestly compared to smaller markets. The discrepancy between developed markets and the best performing markets was largely related to whether the country produced or consumed oil or raw materials. The equity markets of countries that produced energy or raw materials did much better than countries that consumed energy or raw materials. Equity markets are often influenced by the amount of liquidity or cash flow in an economy; an economy with greater cash flow is associated with better equity market returns. Please refer to the Fund's Third Quarter report (available at [http://www.polarisfund.com/reports\\_strategies.asp](http://www.polarisfund.com/reports_strategies.asp) or 888-263-5594) for an analysis of the impact of higher oil prices on the cash flow of various countries. The following table shows how 2005 equity market returns reflect this factor.

2005 Country Returns - Local Market Indexes in U.S. Dollars

<u>Commodity Producers</u>	<u>2005 Return</u>	<u>Commodity Consumers</u>	<u>2005 Return</u>
Egypt	162.0%	Slovenia	-17.6%
United Arab Emirates	142.1%	China	-9.5%
Columbia	124.4%	Portugal	-1.0%
Lebanon	106.9%	Dow Jones Industrials	-0.6%
Saudi Arabia	103.6%	Malaysia	-0.3%



2005 Country Returns - Local Market Indexes in U.S. Dollars

<u>Commodity Producers</u>	<u>2005 Return</u>	<u>Commodity Consumers</u>	<u>2005 Return</u>
Russia	83.3%	Thailand	1.3%
Kuwait	79.9%	Spain	3.2%
Brazil	45.2%	Taiwan	3.2%
Mexico	44.9%	Ireland	3.7%
Oman	44.4%	Bloomberg European 500	5.6%
South Africa	27.7%	France	7.7%
Canada	26.0%	Sweden	8.3%
Chile	18.2%	Germany	10.9%

Source: Bloomberg

The commodity factor did not explain all the winners and losers in 2005. Korea rose 57.8%, the Tokyo Topix rose 24.7% and Budapest increased 19.7%. Despite being flush with oil cash flow, Venezuela dropped 39.2%, the worst of all countries due to economic mismanagement.

The U.S. market was mixed with the S&P 500 Index up only 4.88% and the Dow Jones 30 Industrial Average actually down just under 1%. International markets outperformed the U.S. market again in 2005. The total return of the MSCI Europe, Australia, Far East Index (“EAFE”) was 14.2%, substantially ahead of the MSCI USA Index that advanced 5.7%. In a departure to the commodity analysis above, the EAFE Index was largely influenced by the performance of Japan that increased 25.6%; Japan was 21.9% and 25.6% of the EAFE Index at beginning and end of 2005 respectively.

The return of the World Index, net of 9.49% reflects the combination of these factors; the U.S. represented 52.8% and 51.3% of the WORLD Index at beginning and end of 2005 respectively.

For the calendar year 2005 the Fund’s performance was 10.52%. The largest country weighting was the United States that also contributed most to performance although U.S. returns were not as high as other countries that made up a smaller proportion of the portfolio. Other countries that contributed to results included Britain followed by Finland, South Africa, Japan, Korea, and Mexico. Detracting from performance were holdings in Portugal, Belgium, and Sweden. In 2005 many global and international funds that had a high exposure to Japan performed well. Japan represented 11.6% of the World Index at December 31 after the MSCI Japan Index advanced 25.6% for the year. The Polaris Global Fund had 5.6% of the portfolio invested in Japan at year-end, this held back performance for the year. However, gains in emerging market countries Korea and South Africa helped offset the lower Japanese weighting.

On a sector basis the Fund’s portfolio concentration benefited from investments in a number of sectors that performed well. The Materials sector topped gains in the portfolio in 2005 as tight supply in combination with increasing global demand boosted commodity prices for most materials. In particular, gains in specialty chemicals, cement, platinum group metals, copper and diversified commodities were partially offset by paper and French construction and paper chemical companies. The next most important gains included companies in the Industrials sector including Finnish elevator, construction, crane, and logistics companies in addition to U.S. firms in electrical distribution, motors and aircraft components. Gains in the Industrial sector were reduced by declines in services company Cendant and UK conglomerate FKI plc. Success in Consumer

Discretionary was led once again by British homebuilders combined with luxury goods maker Christian Dior, German tire and auto parts company Continental AG. Sluggish results among auto makers partially offset these gains. In contrast to the headline troubles among large pharmaceuticals stocks, the Fund's investments in the Health Care sector performed well in 2005, specifically due to the strong cash flow and merger activity in U.S. health maintenance firms. Energy holdings registered strong gains, however, Energy made up a smaller part of the Fund's portfolio than Materials so the contribution was less pronounced. Investments in the Utilities, Financial and Information Technology sectors contributed more modestly to 2005 performance. The one sector that detracted from results was Telecom Services where holdings lost ground for the year. This sector presents some of the most attractive valuations in the research universe however investors remain concerned about competition between legacy telecom providers and new technologies such as voice over internet protocol (VOIP).

#### INVESTMENT ENVIRONMENT AND INVESTMENT STRATEGY:

At Polaris Capital portfolio construction is a function of the bottom up research process, country and sector allocations are the result of stock selection. In the past several years the research process has led the portfolio strategy to be under weight the U.S. market since it identified that the best values in the world were largely in Scandinavia, Britain, emerging markets and Asia. This portfolio strategy has been correct because the U.S. market has under performed the rest of the world over this time. The focus away from the U.S. will likely continue into 2006, barring major changes in cash flow generation and stock price levels. The Polaris valuation screens currently show considerable opportunity in Asia, Japan, and Latin America. Japanese companies continue to appear in stock screens albeit a smaller number of companies than during 2005. Emerging markets appear slightly more attractive at this time so research will focus on these countries in Asia, Latin America and Central Europe in the first quarter of 2006.

There are risks in every market environment and 2006 presents several challenges including the possible negative impact of higher oil prices on oil consuming countries. The same can be said for increased commodity prices. Specifically, can low cost countries such as China that produce low priced, low margin goods absorb raw material cost increases and/or pass through cost increases in the form of higher prices to consumers? We will be monitoring questions such as these in fundamental research going forward.

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 first 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, 2005, the Fund's top 10 holdings and the percentages they represent in the Fund's portfolio market value are as follows:*

<u>Issuer</u>	<u>Percentage of Market Value</u>
UnitedHealth Group, Inc.	2.52%
Impala Platinum Holdings, Ltd.	1.71%
Showa Denko KK	1.68%
Persimmon plc	1.65%
Barrat Developments plc	1.51%
Methanex Corp.	1.50%
Sasol, Ltd.	1.47%
WESCO International, Inc.	1.47%
Cendant Corp.	1.46%
YIT-Yhtyma Oyj	1.45%

The MSCI World, EAFE, and USA Indexes, net dividends reinvested ("MSCI World, net") 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, net is unmanaged and does not include the reinvestment of dividends, net of withholding taxes. The MSCI World, EAFE, Europe and USA Indexes measure the performance of stock markets in these geographic areas including reinvestment of gross dividends. The S&P 500 Index is a broad-based, unmanaged measurement of changes in stock market conditions based on the average of 500 widely held common stocks. The Dow Jones 30 Industrial Average consists of 30 stocks that are considered to be major factors in their industries and that are widely held by individuals and institutional investors. One cannot invest directly in an index or an average.

The views in this report were those of the Fund manager as of December 31, 2005, and may not reflect the views of the manager on the date this letter is first published or anytime thereafter. These views are intended to assist shareholders of the Fund in understanding their investment and do not constitute investment advice. This letter must be preceded or accompanied by a current Fund prospectus. Foreside Fund Services, LLC, is the Fund's Distributor.

The Fund's annual performance is as follows:

	<u>Calendar Year Annual Returns as of December 31,</u>						
	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Polaris Global Value Fund	16.50%	-5.82%	2.21%	3.82%	47.06%	23.63%	10.52%
MSCI World Index	24.93%	-13.18%	-16.82%	-19.89%	33.11%	14.72%	9.49%