



April 15, 2004

Dear Fellow Shareholder,

The Polaris Global Value Fund (the “Fund”) advanced 7.97% in the first quarter of 2004, ahead of the MSCI World (net) Index that advanced 2.62%. Equity markets were volatile worldwide in the first quarter after strong performance in 2003. International markets outperformed the U.S. market during this time period. The MSCI USA Index (that mimics the S&P500) was up 1.41%, while the MSCI EAFE Index was up 4.4%. The EAFE Index advanced primarily because the Japanese market was up 15.18%. The Japanese market represented over 23% of the EAFE Index. Other markets that performed admirably included Austria (+16.55%), Finland (+15.95%), and Norway (+10.00%). The British market was up 1.81%, it represents 25% of EAFE. Western European market performance was lackluster, namely in Germany (-4.43%), Holland (- 3.86%), France (-0.35%), and Italy (-0.37%).

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 and shorter time periods. The Fund’s management reports that performance in excess of market returns has been delivered with lower than market risk as measured by the beta statistic (measures volatility) of monthly returns. The beta of the monthly returns since inception relative to the MSCI World Index and the S&P 500 Index is 0.78 and 0.74 respectively.

	2004		As of March 31, 2004				
	YTD	Q1	1 Yr	3 Yrs	5 Yrs	10 Yrs	ITD
<b>Polaris Global Value Fund</b>	7.97%	7.97%	69.40%	18.35%	13.98%	13.95%	11.68%
MSCI World Index, net dividends reinvested	2.62%	2.62%	43.87%	1.46%	-0.95%	7.35%	6.22%

*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 1-888-263-5594 or visit the Fund's website at [www.polarisfund.com](http://www.polarisfund.com). Returns greater than 1 year are annualized. See p.3 for additional disclosure.*

**FIRST QUARTER 2004 PERFORMANCE ANALYSIS:**

The Fund’s performance can be primarily attributed to good results in the U.S., Britain, South Korea and Japan. European Union and British investments advanced over 2% and 14% respectively, bolstered by investments in British homebuilder Persimmon, PLC (34%) and Barratt Developments, PLC (20%).

Japanese positions advanced over 14% during the quarter. The Fund’s top performing Japanese holding, Maruichi Steel Tube Ltd., increased more than 34% as a result of the strong steel demand in Asia. Korean investments advanced more than 28%, backed by strength of Samsung Electronics. The Fund’s sole holding in Thailand, Total Access Communication, was up over 49%.

Holdings in the U.S. advanced over 10% with Hawthorne Financial Corp. and Wesco International Inc. providing strong gains. Hawthorne, which will be acquired by Commercial Capital, is a prime example of Polaris realizing value as banks continue to consolidate.

Strong performance was partially offset by the Fund's holding in Swedish paper maker Svenska Cellulosa Aktiebolaget (SCA) and Norway's DNB Holding ASA; both declined over 2%. U.S. decliners were Ford Motor Company and Curagen Corporation. In addition ABN-AMRO Holdings, NV (Holland), STMicroelectronics, and Impala Platinum Ltd. also declined.

#### FIRST QUARTER 2004 ASSET ALLOCATION:

As detailed in the fourth quarter 2003 report, Polaris recognized higher valuations in some of the Fund's investments as a result of strong portfolio performance during 2003. The report also indicated the research process uncovered good investment opportunities in Japan for the first time in many years. In the first quarter of 2004, the Fund added to its current Japanese holdings (Kansai Electric Power Company, Inc. and Maruichi Steel Tube, Inc.). As a result, the March 31, 2004 asset allocation reflects a greater weighting in Japan and lower investments in the U.S. and South Africa. Holdings in the U.S. have diminished due, in part, to the sale of Horizon Bank and Trust to a mutual savings bank. Additionally, the Sears Roebuck & Co. position was sold in response to increased pricing pressure exerted by retail competitors and the sale of its finance division. Sector weightings increased in utilities and industrials, which were offset by declines in materials, information technology and finance. The fund experienced net subscriptions and is holding a larger than normal cash balance pending investment.

The following table shows the Fund's asset allocation at March 31, 2004.

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	56.92%	35.45%	0.00%	2.73%	1.17%	5.79%	5.94%	0.00%	4.77%	13.37%	0.46%	1.23%	0.00%	0.00%
Japan	10.17%	4.07%	0.00%	2.54%	1.54%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Other Asia	3.39%	6.33%	0.00%	0.00%	1.35%	0.00%	0.00%	0.00%	0.00%	4.30%	0.68%	0.00%	0.00%	0.00%
Europe	27.20%	22.60%	2.78%	0.00%	2.71%	1.26%	12.67%	0.03%	0.00%	2.68%	0.47%	0.00%	0.00%	0.00%
Scandinavia	2.33%	8.15%	0.00%	0.00%	2.50%	4.30%	0.00%	0.00%	0.00%	1.35%	0.00%	0.00%	0.00%	0.00%
Africa & S. America	0.00%	3.67%	1.25%	0.00%	2.42%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Cash	0.00%	19.73%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	19.73%
Industry Totals		100.00%	4.03%	5.27%	11.69%	11.35%	18.61%	0.03%	4.77%	17.40%	5.23%	1.91%	0.00%	19.73%
Market Weighting	100.00%		7.17%	3.74%	4.79%	9.89%	12.10%	9.24%	11.07%	24.19%	12.77%	5.04%	0.00%	0.00%

#### INVESTMENT ENVIRONMENT AND INVESTMENT STRATEGY

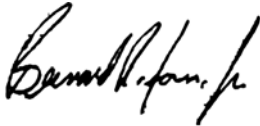
The strength of the global equity markets has bolstered performance of the Fund's portfolio, while simultaneously pushing the valuations of many U.S. portfolio companies outside the Polaris investment criteria used in the Polaris' research process. Although Polaris recognizes signs of U.S. economic improvement, the Fund management believes this expectation has already been priced into U.S. stocks. Polaris continues to see better value in non-U.S. equities, and the Fund's portfolio weightings will reflect this view in the coming quarters.

Polaris' investment discipline continues to uncover increased opportunities in Japan, namely in energy and industrial sectors. The Fund management will continued to screen and review Japanese companies on an opportunistic basis, which may eventually lead to a higher portfolio weighting. In other country analysis: U.S. healthcare companies continue to generate strong cash flow and provide value, and British homebuilders are capitalizing on the booming housing market, bolstered by low mortgage rates. The British government issued a report in the first quarter highlighting what our research has shown since 1998, the chronic housing shortage in Britain is due to the slow government permitting process. After much additional research, perhaps the housing authority will speed up the process, if so this should increase volumes of new homes built and keep prices affordable to the average buyer.

Polaris continues to maintain an overweight position in the material goods sector as that sector's strength and momentum continue. Demand from China continues to put upward pressure on demand for many commodities and consequently commodity prices. The Fund's managers will continue to carefully monitor this sector for early signs of slowing or decline. Polaris continues to watch for developing trends and remains dedicated to navigating the markets seeking to produce satisfactory returns for our fellow shareholders.

As always, we welcome your questions and comments.

Sincerely,



Bernard R. Horn, Jr.  
Portfolio Manager

**Polaris Capital Management, Inc. and the Polaris Global Value Fund are featured in the January 2004 issue of SmartMoney Magazine. You may review the article at [www.polariscapital.com](http://www.polariscapital.com), or contact Kathy Spillane at 617-951-1365 to request a copy.**

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.

As of March 31, 2004, the Fund's top 10 holdings and the percentages they represent in the Fund's net assets are as follows: Maruichi Steel Tube, Ltd (1.52%); Barratt Development (1.51%); Toro Co. (1.48%); Persimmon plc (1.47%); Greenpoint Financial Corp. (1.45%); George Wimpey, plc (1.45%); Allete, Inc. (1.45%); Bellway, plc (1.45%); KCI Kronecranes Oyj (1.44%); and YIT - Yhtma Oyj (1.40%).

The MSCI World Index, 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 views in this report were those of the Fund manager as of March 31, 2004, 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. Forum Fund Services, LLC, is the Fund's Distributor. (4/04)

July 7, 2004

Dear Fellow Shareholder,

The Polaris Global Value Fund (the "Fund") advanced 0.46% in the second quarter of 2004, slightly lagging the MSCI World (net) Index that advanced 0.87%. The Fund remains ahead of the World (net) Index for the year-to-date period: the Fund +8.47% versus World +3.52%.

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, 1, 3, 5 and 10-year time periods. While the Fund's inception-to-date performance has exceeded benchmark market returns it has done so 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 0.78 and 0.74, respectively.

	2004			As of June 30, 2004				ITD
	YTD	Q1	QII	1 Yr.	3 Yrs.	5 Yrs.	10 Yrs.	
Polaris Global Value Fund	8.47%	7.97%	0.46%	36.77%	16.82%	10.62%	12.75%	11.30%
MSCI World Index, net dividends reinvested	3.52%	2.62%	0.87%	24.00%	0.87%	(1.7)%	7.14%	6.14%

*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 1-888-263-5594 or visit the Fund's website at [www.polarisfunds.com](http://www.polarisfunds.com). Returns greater than 1 year are annualized. See p.3 for additional disclosure.*

Second quarter equity market volatility stemmed from concerns regarding mixed economic signals, the Chinese government's efforts to cool their economy, and the Iraqi conflict. Second quarter markets ended mixed, following a moderate first quarter increase. International markets underperformed the U.S. market during the second quarter. The EAFE index increased 0.44%, below the 1.66% gain for the MSCI USA Index. The EAFE Index was affected by the Japanese market, which dropped 3.82% after advancing 15.18% in the first quarter. Asian markets declined in step with Japan. The largest country decline was Finland, which plunged 19.48% due to negative comments from Nokia. Nokia, which declined 28.3%, represents over 55% of the MSCI Finland Index. However, for the six months ended June 30, 2004, international markets performed better than the U.S. market. The EAFE Index added 4.86% while the MSCI USA Index was up 3.09%.

The Fund realized gains from advances made by a variety of stocks across several countries and industries. Advances included U.S. banks, as two Fund holdings merged with larger institutions. Other U.S. company contributors included

utility TXU Corporation, electrical distribution company WESCO, and two industrial product companies, Ametek and Teradyne. International companies that contributed were tire and automobile product manufacturer Continental AG, electronic products company V-Tech Holdings (Hong Kong), and methanol producer Methanex in Canada.

While gains were evident across varied industries and countries, stocks that underperformed fell among concentrated sectors. Specifically, British homebuilders' stocks dropped as a result of rising interest rates and negative press surrounding rising home prices. Technology companies experienced a late quarter decline in many countries. The Fund's technology investments in the U.S., Korea, and Hong Kong participated in this correction. Materials companies Svenska Cellulosa and Impala Platinum Holdings also declined due to concern that a slowdown in the Chinese economy will result in reduced demand for basic materials.

## SECOND QUARTER 2004 ASSET ALLOCATION:

The Fund's asset allocation remained relatively constant in the second quarter. Cash received toward the end of the first quarter from new investors resulted in a larger than normal cash position at March 31, 2004. This cash and additional second quarter inflows were invested within the current allocation. New investments were made in Canada and Norway in the energy and shipping industry respectively. In addition, new positions were established in the U.S. banking industry. Fund management expects to further reduce cash and restructure the portfolio at the start of the third quarter. The table below does not reflect trades made at the end of the quarter. If trades not settled were included, the cash position would be less than 7%.

The following table shows the Fund's asset allocation at June 30, 2004.

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	Cash
N. America	57.67%	40.64%	0.57%	3.12%	1.48%	5.89%	6.10%	0.00%	4.03%	16.00%	2.21%	1.24%	0.00%
Japan	10.15%	4.01%	0.00%	2.62%	1.39%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Other Asia	3.13%	6.98%	0.00%	0.00%	1.33%	0.18%	0.00%	0.00%	0.00%	0.00%	4.38%	1.09%	0.00%
Europe	26.89%	22.71%	2.64%	0.00%	1.43%	2.79%	12.66%	0.02%	0.00%	2.81%	0.36%	0.00%	0.00%
Scandinavia	2.16%	9.73%	0.00%	0.00%	2.89%	5.50%	0.00%	0.00%	0.00%	1.34%	0.00%	0.00%	0.00%
Africa & S. America	0.00%	4.23%	1.34%	0.00%	2.89%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Cash	0.00%	11.70%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	11.70%
Industry Totals	100.00%	100.00%	4.55%	5.74%	11.41%	14.36%	18.76%	0.02%	4.03%	20.15%	6.95%	2.33%	11.70%

## INVESTMENT ENVIRONMENT AND INVESTMENT STRATEGY

During the second quarter, the Fund's management met with many global companies, including research trips to Brazil and Central Europe to ascertain value opportunities. These regions enjoy production advantages that will likely expand as the global economy slowly recovers.

The world's economic growth engine, China, slowed in response to the government's effort to alleviate pressure from the unsustainably high demand that was creating inflationary conditions, especially among basic materials. Following discussions with corporate teams, Fund management believes company results will be mixed in this new environment.

In a slower growth atmosphere not all companies are able to experience rapid growth. Moreover, during the protracted economic downturn of the last three to four years, companies that were able to generate good cash flow were able to reinvest in their businesses, strengthening their competitive positions. These companies appear to be enjoying better

results during the tepid recovery while their competitors are playing catch-up. For these reasons, investment performance may appear erratic among companies within the same industry; however, we believe that well-managed companies are earning better returns for investors.

Also during the second quarter, the Polaris investment team was busy reevaluating several components of the portfolio with a view toward restructuring. As this process nears completion, we will make various changes in the early part of the third quarter. Generally, we are satisfied that negative volatility in the second quarter has kept valuations attractive, as many opportunities upon which we expect to capitalize remain. As always, we strive to help manage shareholder wealth, to navigate markets for selection of companies that will prosper in the next 10 years, and to produce satisfactory risk adjusted returns for our clients.

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.

As of June 30, 2004, the Fund's top 10 holdings and the percentages they represent in the Fund's net assets are as follows: TXU Corporation (1.82%), Continental AG (1.63%), Persimmon plc (1.58%), WESCO International, Inc. (1.58%), Toro Co. (1.57%), Ametek, Inc. (1.55%), Impala Platinum Holdings Ltd. (1.55%), UPM-Kymmene Oyj (1.55%), Methanex Corp. (1.52%), and KCI Konecranes Oyj (1.52%).

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, 2004, 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. Forum Fund Services, LLC, is the Fund's Distributor. (7/04)

# Polaris

Global Value Fund

October 7, 2004

Dear Fellow Shareholder,

The Polaris Global Value Fund (the “Fund”) advanced 1.23% in the third quarter of 2004 while the MSCI World (net) Index (“World, net”) declined 1.00%. The Fund’s performance year-to-date through September 30 was 9.80% versus the World, net of 2.48%. The U.S. market continues to lag the performance of international markets. During the third quarter, the MSCI USA Index fell 1.84% while the MSCI EAFE (Europe, Australasia, Far East) Index fell fractionally (0.23%). The U.S. similarly under performed so far in 2004 (MSCI USA Index: +1.19% vs. MSCI EAFE Index: +4.62%).

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, 1, 3, 5 and 10-year time periods. 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 0.78 and 0.74, respectively.

	2004				As of September 30, 2004				
	YTD	QIII	QII	QI	1 Yr	3 Yrs	5 Yrs	10 Yrs	ITD
<b>Polaris Global Value Fund [1]</b>	<b>9.80%</b>	<b>1.22%</b>	<b>0.46%</b>	<b>7.97%</b>	<b>25.96%</b>	<b>25.04%</b>	<b>11.45%</b>	<b>13.85%</b>	<b>11.40%</b>
MSCI World Index, net dividends reinvested	2.48%	-1.00%	0.87%	2.62%	17.10%	5.87%	-1.60%	6.80%	6.00%

*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 1-888-263-5594 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.*

Highlights from the Fund’s third quarter included gains among natural resource, and material companies in Canada, South Africa, and Britain, as well as energy-related companies in Europe and the U.S. Increased oil prices during the quarter supported gains in oil company holdings. Several U.S. bank holdings rose strongly, including Sovereign Bancorp, Southwest Bancorp, Commercial Capital Bancorp and Greenpoint Financial Corp. However, performance was partially offset by declines in other domestic banks.

European holdings advanced over 4% on average. European banks gained including Norwegian bank DNB Holdings. Improved oil prices helped the local economy in Norway, providing a healthy environment for DNB. In addition, higher oil prices and tight shipping capacity drove shipping rates up – the Fund’s recent purchase of shipping entity Camillo Eitzen & Company aided in the quarter’s gain. Geographically, Canadian, Norwegian and South African positions followed Europe in adding the most benefit to the quarter’s results.

The primary declines that partially offset these gains were among technology companies, some of which were Korean holdings. Other declines occurred among isolated parts of the portfolio. Electrolux of Sweden (not a portfolio holding) announced that higher steel and energy costs will negatively affect profitability. This news sent the stock price of Maytag down in sympathy. Declines included Central Parking, U.S. banks, Ford Motor Company and British advertising company WPP Group Plc. Overall, U.S. holdings declined about 1% while Japanese utilities and a telecom investment resulted in a decline of over 7% in Japan.

### THIRD QUARTER 2004 ASSET ALLOCATION:

The Fund's asset allocation shifted from the end of the second quarter due to portfolio changes. The sector allocation increased in Telecom Services, Utilities, and Consumer Staples and decreased in Information Technology, Consumer Discretionary, and Materials. Several technology investments were sold based on a combination of valuations that exceeded sell limits coupled with company visits that indicated potential lack of corporate cash flow. In addition, all holdings in Hong Kong and Thailand were sold based on valuation considerations – the investments no longer met the Fund's value criteria. Cash proceeds from the sales were invested in other banks in the U.S. and Britain and the Fund made several investments in telecommunications firms in Korea, Japan, and Portugal. The Fund had a larger cash position as well as a higher weighting of European holdings, while simultaneously decreasing the U.S. positions. At the end of the quarter, less than 37% of the portfolio was invested in the United States.

The cash position was the result of several factors. The portfolio sales and corporate actions discussed below added to cash along with continued cash inflows from new investors that occurred at the end of the quarter. Funds were invested in 6 new positions. However approximately 6 – 8% of the cash balance is reserved for another set of positions that will be implemented in the fourth quarter.

The following table shows the Fund's asset allocation at September 30, 2004.

World Market Weighting	Polaris Model Global Asset Allocation													
	Portfolio Weighting	Energy	Utilities	Materials	Industrials	Consumer Discretionary	Consumer Staples	Health Care	Financials	Inform. Tech.	Telecom. Services	Other	Cash	
N. America	57.42%	38.99%	0.69%	3.72%	1.50%	4.92%	5.49%	0.00%	3.80%	16.75%	0.69%	1.43%	0.00%	0.00%
Japan	9.54%	4.92%	0.00%	2.57%	1.29%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.06%	0.00%	0.00%
Other Asia	3.47%	4.55%	0.00%	0.00%	1.45%	0.00%	0.00%	0.00%	0.00%	0.00%	2.53%	0.57%	0.00%	0.00%
Europe	27.29%	25.04%	2.52%	0.00%	2.90%	2.54%	10.53%	1.32%	0.00%	3.90%	0.00%	1.33%	0.00%	0.00%
Scandinavia	2.28%	9.47%	0.00%	0.00%	2.63%	5.45%	0.00%	0.00%	0.00%	1.39%	0.00%	0.00%	0.00%	0.00%
Africa & S. America	0.00%	4.28%	1.45%	0.00%	2.83%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Cash	0.00%	12.76%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	12.76%
Industry Totals		100.00%	4.66%	6.29%	12.60%	12.91%	16.02%	1.32%	3.80%	22.05%	3.23%	4.38%	0.00%	12.76%
Market Weighting	100.00%		8.32%	3.80%	5.14%	10.41%	12.25%	8.69%	10.85%	24.07%	11.58%	4.91%	0.00%	0.00%

### INVESTMENT ENVIRONMENT AND INVESTMENT STRATEGY

The Polaris research process continues to identify more opportunities outside the United States. The above portfolio allocation table shows the U.S. proportion of the portfolio continues to be below the weight of the U.S. market in the MSCI World Index. While the U.S. economy is poised to recover and U.S. companies are well suited in this competitive world economy, the valuation of U.S. companies continues to be quite high relative to their cash flow generation. One overly simple example of this discrepancy is a comparison of Price to Cash Earning ratios around the world. The P/CE ratio for the World ex U.S. is 8.5; in the U.S., the P/CE ratio is 12.0, or more than 40% higher.

During the third quarter, the Fund's manager made several portfolio changes in response to new opportunities identified in the Polaris Capital research process. In addition to these portfolio changes, several holdings were involved in mergers or corporate actions. The merger activity involved one U.S. bank that was acquired, one U.S.

health company that was acquired, and one U.S. utility that completed the spin-off of its used car auction division. Another U.S. bank investment announced its decision to be acquired by a Canadian bank during the quarter.

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.

As of September 30, 2004, the Fund's top 10 holdings and the percentages they represent in the Fund's net assets are as follows:

<u>Issuer</u>	<u>Percentage of Net Assets</u>
Sovereign Bancorp, Inc.	2.00%
TXU Corp.	1.88%
WESCO International, Inc.	1.82%
Camillo Eitzen & Co.	1.62%
Continental AG	1.60%
Methanex Corp.	1.50%
Southwest Bancorp, Inc.	1.49%
Imerys SA	1.46%
Pacificare Health Systems, Inc.	1.46%
BHP Billiton plc	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 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, 2004, 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. Forum Fund Services, LLC, is the Fund's Distributor. (10/04)

The Fund's annual performance is as follows:

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



January 18, 2005

Dear Fellow Shareholder,

The Polaris Global Value Fund (the "Fund") advanced 12.60% in the fourth quarter of 2004 while the MSCI World (net) Index ("World, net") advanced 11.95%. The Fund's performance year-to-date through December 31, 2004 was 23.63% versus the World, net of 14.72%. The U.S. market continues to lag the performance of international markets. During the fourth quarter, the MSCI USA Index rose 9.41% while the MSCI EAFE (Europe, Australasia, Far East) Index rose 15.36%. The U.S. market underperformed in 2004 (MSCI USA Index: 10.71% vs. MSCI EAFE Index: 20.70%).

The following table illustrates the impact of the decline in the U.S. dollar on international and world equity market returns for the last two years. International stock returns were boosted by 18.4% and 7.6% in 2003 and 2004 respectively by the decline of the dollar. The effect was muted in the World Index because the U.S. market comprises greater than 50% of the World Index.

Annual Returns with Gross Dividends Reinvested						
	In USD		In Local Currency		Impact of USD Decline	
	World	EAFE	World	EAFE	World	EAFE
2003	33.8%	39.2%	25.5%	20.8%	<b>8.3%</b>	<b>18.4%</b>
2004	15.3%	20.7%	11.8%	13.1%	<b>3.4%</b>	<b>7.6%</b>

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, 1, 3, 5 and 10-year time periods. 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.

	2004					As of December 31, 2004				
	YTD	QIV	QIII	QII	QI	1 Yr	3 Yrs	5 Yrs	10 Yrs	ITD
Polaris Global Value Fund	23.63%	12.60%	1.23%	0.46%	7.97%	23.63%	23.58%	12.69%	15.49%	12.06%
MSCI World Index, net dividends reinvested	14.72%	11.95%	-1.00%	0.87%	2.62%	14.72%	6.95%	-2.45%	8.09%	6.68%

*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's positive fourth quarter return can be attributed to a broad number of securities across various sectors. Only 4 of 79 securities held during the quarter declined in value. Approximately half of the Fund's 12.60% fourth quarter return was due to 20 securities. Fifty of 79 securities advanced more than 10%. Highlights comprised gains in U.S. managed care companies, including Anthem that acquired Wellpoint (old) and was renamed Wellpoint (new). Leading up to the merger, the (old) Wellpoint shares declined in value. Another managed care firm, Pacificare Health Systems, was one of the quarter's best performers, up over 50%. Fifteen securities advanced between 20% and 30% from a variety of industries and countries, including construction and building material companies, banks, technology, chemical, and shipping firms. Thirty companies rose between 10% and 20% including a wide variety of industries and countries.

Of the 29 securities that rose less than 10%, 10 firms were U.S. banks reflecting higher valuations among this sector.

## 2004 PERFORMANCE

The Fund's return for 2004 provided a second year of quite satisfactory performance. This report discusses the view, from the Polaris research process, that non-U.S. equities provide better valuations. Corresponding expectations lead the firm to believe that international equities should provide better returns than domestic equities. Indeed, the overall U.S. market underperformed in comparison to international markets in 2004. However, the top three contributions to the Fund's return in 2004 were U.S. holdings: TXU Corporation, WESCO International, Inc. and Pacificare Health Systems. TXU was the 3<sup>rd</sup> best performing stock in the S&P 500 Index in 2004. The S&P utility index was the second best performing sector (up 19.60%). Additional contributions to performance included the recently acquired Norwegian shipping company Camilo Eitzen, long-term holding Continental AG of Germany, and Canadian methanol producer Methanex. Generally, performance was broad based for the year with satisfactory gains among U.S. managed health companies, basic material producers, Scandinavian companies, and energy producers.

Investments that detracted from performance were concentrated in U.S. banks and technology companies in different geographic areas. Appliance maker Maytag and semiconductor packaging and test company Amkor contributed to the losses. Of approximately 100 securities held by the Fund during the year, only 21 holdings had a slightly negative impact.

## FOURTH QUARTER 2004 ASSET ALLOCATION:

There were no material changes in the country or industry allocations of the Fund during the quarter. New positions were established in the Consumer Discretionary sector in Scandinavia and a financial service firm in the U.S. Cash at September 30, 2004 was invested during the quarter although new fund flows, during the last week of the year, were not invested as most international markets were closed at the time.

The following table shows the Fund's asset allocation at December 31, 2004. The market weightings were not available at the time of publication of this report.

Portfolio	Polaris Global Value Fund Asset Allocation											Cash	
	Weighting	Energy	Utilities	Materials	Industrials	Consumer Discretionary	Consumer Staples	Health Care	Financials	Info. Tech	Telecom. Services		Other
N. America	39.55%	0.48%	3.32%	1.34%	4.97%	5.38%	0.00%	4.60%	17.46%	0.81%	1.19%	0.00%	0.00%
Japan	5.38%	0.00%	2.70%	1.35%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.33%	0.00%	0.00%
Other Asia	5.78%	0.00%	0.00%	1.32%	0.00%	0.00%	0.00%	0.00%	0.00%	3.07%	1.38%	0.00%	0.00%
Europe	24.94%	2.61%	0.00%	2.67%	2.39%	10.63%	1.39%	0.00%	3.95%	0.00%	1.29%	0.00%	0.00%
Scandinavia	11.63%	0.00%	0.00%	3.79%	5.13%	1.37%	0.00%	0.00%	1.33%	0.00%	0.00%	0.00%	0.00%
Africa & S. America	4.12%	1.40%	0.00%	2.72%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Cash	8.60%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	8.60%
Industry Totals	100.00%	4.49%	6.02%	13.20%	12.49%	17.38%	1.39%	4.60%	22.74%	3.88%	5.20%	0.00%	8.60%

## INVESTMENT STRATEGY

Asset allocation continues to favor non-U.S. investments. The reduction in U.S. investments has been discussed in prior quarterly reports and reflects Polaris' view that there are better potential returns currently outside the U.S. The primary reason for this opinion is that the valuation of U.S. equities is still much higher than non-U.S. equities. One reason for this can be seen from the following table:

	<u>Annual Returns</u>		
	<u>S&amp;P 500</u>	<u>EAFE</u>	<u>Difference</u>
<b>1990 - 1999</b>	<b>18.19%</b>	<b>7.34%</b>	<b>10.86%</b>
<b>2000 - 2003</b>	<b>-5.36%</b>	<b>-5.55%</b>	<b>0.19%</b>

Note that the U.S. market outperformed international markets by almost 11% *per year for 10 years* during the decade of the 1990s. Despite this outperformance, during the correction from 2000 to 2003, the U.S. market declined a little less than international markets. This performance pushed U.S. stock valuations to much higher levels than international valuations. The Price to Cash Earnings ratio (PCE) is one measure of the valuation levels for stocks. The following table illustrates the PCE ratio at November 30, 2004. Some market analysts argue the PCE ratio has always been higher for the U.S. due to the superior growth rate in the U.S. However, the range of the PCE ratio for the U.S. during the 1970s and 1980s was between 5 and 6, similar to other countries at the time.

	<u>November 2004</u>		<u>US /</u>
	<u>USA</u>	<u>World ex-US</u>	<u>ROW</u>
<b>PCE Ratio</b>	<b>12.3</b>	<b>8.6</b>	<b>% Diff. 43%</b>

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

It is hard to read a financial publication at this time that recommends current investment strategy without hearing a prediction that the U.S. dollar will fall precipitously. Therefore, according to the publications, investors should buy international or global mutual funds. We have several objections to this reasoning. First, global or international investment should be made to achieve diversification around the world, not to serve as a short-term currency play. Secondly, over long periods of time, the impact that currency gains and losses have on total equity returns is immaterial (approximately 0.1% over the last 10 years). It is possible a weak dollar will have a positive impact on international returns in a single quarter or year as illustrated above. However, currency markets are notoriously hard to predict. Even if the U.S. dollar declines, boosting short term performance, the currency change may have the opposite effect on the stock price of a particular company if the firm's fundamentals are hurt by a weak dollar. In summary, investors should invest in global and international funds for the right reasons -- good diversification and the opportunity to invest in areas of economic growth not available in one's home country. The Fund's management considers all these factors, and many more, in constructing the portfolio.

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.

As of December 31, 2004, 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>
Wellpoint, Inc.	1.75%
TXU Corp.	1.62%
Samsung SDI Co. Ltd.	1.55%
Pacificare Health Systems	1.52%
WESCO International, Inc.	1.43%
Sasol Ltd.	1.39%
Barratt Developments plc	1.38%
Bellway plc	1.38%
Impala Platinum Holdings Ltd.	1.38%
Greencore Group plc	1.38%

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 December 31, 2004, 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. Forum Fund Services, LLC, is the Fund's Distributor. (01/05)

The Fund's annual performance is as follows:

	<u>Calendar Year Annual Return 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%