

# Polaris Global Value Fund

## SEMI-ANNUAL REPORT

June 30, 2011

(Unaudited)

# Polaris

Capital Management, LLC

<http://www.polarisfunds.com>

(888) 263-5594

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**POLARIS GLOBAL VALUE FUND**  
A MESSAGE TO OUR SHAREHOLDERS  
JUNE 30, 2011

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Dear Fellow Shareholder,

The Polaris Global Value Fund (the “Fund”) outperformed the benchmark Morgan Stanley Capital International World Index (the “MSCI World Index”) for the six-month period ended June 30, 2011. The Fund returned 5.79% versus the MSCI World Index, which posted 5.29%.

The Fund capitalized on market volatility to lay the foundation for future returns. Our market expectations were realized in the first half of 2011; the benchmark saw three each of down and up months while the Fund only experienced two down months. Strategically, the Fund took profits on market strength and bought bargain-priced companies on market declines. Additionally, the portfolio's risk mitigation strategy was further accomplished by adding holdings in defensive sectors (telecom, utilities, healthcare and consumer staples).

The Fund’s value strategy normally benefits from merger activity; however, the credit crisis in 2008-09 shut down transactions. We see deal activity returning in 2011, as evidenced by three portfolio companies that are subject to bids: Demag Cranes AG, Tognum AG and Metorex, Ltd.

The following table summarizes total returns through June 30, 2011. Note that the Fund’s annualized performance for the 1-, 3-, 10-, 15- and 20-year time periods and since inception to date has exceeded benchmark returns.

	2011			Annualized As of June 30, 2011						
	YTD	QII	QI	1 Yr	3 Yrs	5 Yrs	10 Yrs	15 Yrs	20 Yrs	ITD*
<b>Polaris Global Value Fund</b>	<b>5.79%</b>	<b>-0.07%</b>	<b>5.86%</b>	<b>33.42%</b>	<b>3.58%</b>	<b>0.53%</b>	<b>8.37%</b>	<b>8.93%</b>	<b>10.60%</b>	<b>9.37%</b>
MSCI World Index	5.29%	0.47%	4.80%	30.51%	0.47%	2.28%	3.99%	5.36%	6.97%	5.91%

\*Inception-to-date (Inception 7/31/1989)

*Performance data quoted represents past performance and is no guarantee of future results. Current performance may be lower or higher than the performance data quoted. Returns greater than one year are annualized. Investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than original cost. For the most recent month end performance, please call (888) 263-5594 or visit the Fund's website at [www.polarisfunds.com](http://www.polarisfunds.com). As stated in the current prospectus, the Fund's annual operating expense ratio (gross) is 1.39%. Quarter end expense ratio is 1.34%; this ratio is based on amounts incurred during the most recent quarter, divided by the average assets for the period multiplied by 365 and divided by the number of days in the quarter. Shares redeemed or exchanged within 180 days of purchase will be charged a 1.00% fee. Fund performance returns shown do not reflect this fee; if reflected, the returns would have been lower. See page 4 for additional disclosure.*

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

**SIX-MONTH PERFORMANCE ANALYSIS:**

The materials sector was the top contributor to portfolio returns for the period, as companies benefited from improving industrial production. After selling its healthcare division in 2010, Solvay SA deployed available cash to acquisitions,

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recently announcing a friendly cash offer for French specialty chemical maker Rhodia. If approved by anti-trust authorities in the European Union and U.S., this acquisition may result in a combined business with 40% exposure to emerging markets, while reducing cyclicity and capitalizing on synergies.

BASF SE recovered from its mid-March share price correction on expectations that it would be a net beneficiary of higher oil and gas prices. Emerging economy demand for chemicals also fueled the company's strength. Metorex, Ltd., a South African producer of copper and cobalt, posted strong gains as the object of a bidding war between Brazil's Vale, the world's largest iron ore producer, and China's biggest nickel producer, Jinchuan Group. Fragrance and flavorings maker Symrise AG advanced on expectations that the company would be able to raise product prices at a faster pace than raw material cost increases.

In the healthcare sector, insurers UnitedHealth Group, Inc. and Wellpoint, Inc. posted double digit returns. UnitedHealth Group, Inc. announced a dividend raise and 110 million share buyback plan after it posted far better-than-expected first-quarter results and raised its full-year earnings forecast. Similarly, Wellpoint, Inc. declared a second quarter dividend to shareholders. Demonstrating further strength, Wellpoint, Inc. agreed to purchase privately held Medicare specialist CareMore Health Group for \$800 million. These announcements offer new evidence that the industry is able to sustain profits in the wake of last year's healthcare overhaul.

Posting returns in excess of 60%, Questcor Pharmaceuticals, Inc. led strong healthcare sector returns. The growth can be attributed mainly to increased Acthar prescriptions for multiple sclerosis and infantile spasms, as well as early adoption for nephrotic syndrome.

Industrials were a strong contributor, led by German engine maker Tognum AG, which was a potential takeover target subject to a joint bid from Rolls-Royce Group PLC and Daimler AG. Demag Cranes AG returned more than 35% for the six-month period on news that Terex Corp. would be acquiring the German crane manufacturer at a 25% premium to Demag Cranes AG's stock price at the end of April.

The consumer discretionary sector was buoyed by double-digit returns from all four homebuilders, which are capitalizing on stability in the U.K. housing market, continued low interest rates, improvement in the labor market and the move from production of apartment-style complexes to townhouses and single-family developments. Further solidifying this trend: In a late June 2011 statement, Taylor Wimpey PLC expressed optimism about the housing market, citing gradual improvement in the availability of mortgage financing. The company reported strong margins and expected to beat forecasts as the market stabilizes. Christian Dior SA's LVMH brand posted strong year over year organic growth, as demand in the U.S., European Union and emerging markets continued to bolster luxury goods sales.

Holdings in the information technology and financial sectors were detractors to better performance. Wincor Nixdorf AG, an automated teller machine manufacturer, faced difficult year-on-year comparisons and execution delays for a new product platform. Strong emerging market sales were not yet large enough to offset slower North American and European sales.

Returns for Southwest Bancorp, Inc. eroded substantially in the June quarter after reporting a \$9.1 million loan loss provision in the March 2011 quarter. Despite headwinds to earnings, the bank was still profitable in the quarter, and remains well positioned due to its loan portfolio in the healthcare industry and to its focus in the seemingly recession-

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resistant region of Oklahoma, Kansas and Texas. Ameris Bancorp was another detractor to performance, even though it reported a second consecutive quarter (March 2011 quarter) of profitability, a 14% decline in non-accrual loans from the prior quarter and a substantial decrease in net charge-offs reduced its performance. Other U.S. regional banks also underperformed, as progress on resolution of existing problem loans was offset by inflows of additional troubled assets.

State Bank of India declined due to the one-off impact of new regulations requiring counter-cyclical provisioning and a higher provisioning ratio for non-performing loans. U.K.-based Lloyds Banking Group PLC declined, faltering on concerns related to the European sovereign debt crisis and the expectations that European banks will require higher capital standards.

**ASSET ALLOCATION:**

The six-month period presented a return to normal volatility, as global markets were up and down. The Fund sold five stocks during the period (two in energy, two in industrials and one in consumer discretionary) as company valuations reached respective target sell prices. We put that generated cash to work during periods of market weakness, initiating positions in a Japanese consumer staples stock, German telecom company, Israeli generic drug maker, U.S. information technology company, Hong Kong water utility and a French oil and gas exploration and production company.

The following table shows the Fund's asset allocation at June 30, 2011.

Polaris Global Value Fund Asset Allocation												
Portfolio	Weighting	Energy	Utilities	Materials	Industrials	Consumer Discretionary	Consumer Staples	Health Care	Financials	Info. Tech.	Telecom Services	Cash
N. America	36.85%	1.40%	2.48%	3.19%	4.47%	1.62%	2.91%	5.57%	10.11%	2.60%	2.49%	0.00%
Japan	9.83%	0.00%	1.06%	1.31%	2.14%	0.00%	4.02%	0.00%	0.00%	0.00%	1.29%	0.00%
Other Asia	7.22%	1.20%	0.46%	1.57%	0.00%	0.00%	0.00%	0.00%	0.97%	2.00%	1.01%	0.00%
Europe	32.00%	1.40%	0.00%	7.67%	5.55%	7.52%	1.39%	1.97%	3.69%	1.38%	1.42%	0.00%
Scandinavia	9.51%	0.00%	0.00%	0.00%	3.80%	1.59%	0.00%	0.00%	4.12%	0.00%	0.00%	0.00%
Africa & Middle East	3.94%	1.42%	0.00%	1.24%	0.00%	0.00%	0.00%	1.28%	0.00%	0.00%	0.00%	0.00%
Cash	0.66%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.66%
Industry Totals	100.00%	5.42%	4.00%	14.99%	15.96%	10.73%	8.31%	8.82%	18.90%	5.99%	6.22%	0.66%

Table may not cross foot due to rounding.

**INVESTMENT ENVIRONMENT AND STRATEGY:**

Outlook remains consistent: we expect the global macro-economic recovery to be slow, steady and mixed. While we are seeing some signs of economic expansion and better earnings reports from many companies, concerns remain.

European debt, high commodity prices, the U.S. budget deficit and weak housing prices may contribute to short-term market fluctuations. Further exacerbating this trend: emerging markets face concerns over possible inflation and a slowdown in Chinese and Indian domestic markets.

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As a result of volatility, the research pipeline has identified a significant number of companies trading at excellent valuations. We continue to buy opportunistically, purchasing stocks in down markets and selling positions at a profit during advances.

The risk mitigation strategy of purchasing stocks in defensive sectors was deployed in late 2010, and continues to remain relevant in today's volatile markets.

We are pleased with the strong outperformance for the six-month period, and hope to achieve similar results in the future.

As always, we welcome questions, comments and referrals.

Sincerely,



Bernard R. Horn, Jr.  
Portfolio Manager

***IMPORTANT INFORMATION***

**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. Options trading involves risk and is not suitable for all investors.** Fund performance includes reinvestment of dividends and capital gains. During the period, some of the Fund's fees were waived or expenses reimbursed. In the absence of these waivers and reimbursements, performance figures would be lower.

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

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*As of June 30, 2011, the Fund's largest equity holdings and the percentages they represent in the Fund's total net assets are presented in the following table. Please note management generally constructs an equally weighted portfolio that we believe provides better overall diversification.*

<b>Issuer</b>	<b>Percentage of Total Net Assets</b>	<b>Issuer</b>	<b>Percentage of Total Net Assets</b>
Tognum AG	2.24%	Webster Financial Corp.	1.56%
Mac-Gray Corp.	1.72%	Wellpoint, Inc.	1.55%
Praxair, Inc.	1.69%	Smurfit Kappa Group PLC	1.53%
Christian Dior SA	1.63%	Persimmon PLC	1.52%
Carter's Inc.	1.62%	Methanex Corp.	1.50%
Bellway PLC	1.62%	DnB NOR ASA	1.48%
Trevi Finanziaria SpA	1.61%	The J.M. Smucker Co.	1.48%
Duni AB, Class A	1.58%	Quest Diagnostics, Inc.	1.45%
BHP Billiton, Ltd., ADR	1.57%	H.J. Heinz Co.	1.42%
Kone Oyj, Class B	1.57%	Samsung Electronics Co., Ltd.	1.42%

The MSCI World Index measures the performance of a diverse range of 24 developed countries' stock markets including the United States, Canada, Europe, the Middle East and the Pacific. The MSCI World Index is unmanaged and includes the reinvestment of dividends, net of withholding taxes. One cannot invest directly in an index.

The views in this letter were those of the Fund manager as of June 30, 2011, and may not reflect the views of the manager on the date this letter is second published or anytime thereafter. These views are intended to assist shareholders of the Fund in understanding their investment and do not constitute investment advice.

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

Historical Calendar Year Annual Returns (years ended December 31)

	<u>Polaris Global Value Fund</u>	<u>MSCI World Index</u>		<u>Polaris Global Value Fund</u>	<u>MSCI World Index</u>
2010	20.64%	11.76%	1999	16.50%	24.93%
2009	35.46%	29.99%	1998	-8.85%	24.34%
2008	-46.19%	-40.71%	1997	34.55%	15.76%
2007	-3.97%	9.04%	1996	23.34%	13.48%
2006	24.57%	20.07%	1995	31.82%	20.72%
2005	10.52%	9.49%	1994	-2.78%	5.08%
2004	23.63%	14.72%	1993	25.70%	22.50%
2003	47.06%	33.11%	1992	9.78%	-5.23%
2002	3.82%	-19.89%	1991	17.18%	18.28%
2001	2.21%	-16.82%	1990	-11.74%	-17.02%
2000	-5.82%	-13.18%			

**POLARIS GLOBAL VALUE FUND**  
**PERFORMANCE CHART AND ANALYSIS**  
**JUNE 30, 2011**

The following chart reflects the change in the value of a hypothetical \$10,000 investment, including reinvested dividends and distributions, in the Polaris Global Value Fund (the "Fund") compared with the performance of the benchmark, Morgan Stanley Capital International World Index ("MSCI World Index"), over the past ten fiscal years. The MSCI World Index measures the performance of a diverse range of 24 developed countries' stock markets including the United States, Canada, Europe, the Middle East and the Pacific. The total return of the MSCI World Index includes reinvestment of dividends and income. The total return of the Fund includes operating expenses that reduce returns, while the total return of the MSCI World Index does not include expenses. The Fund is professionally managed while the MSCI World Index is unmanaged and is not available for investment.

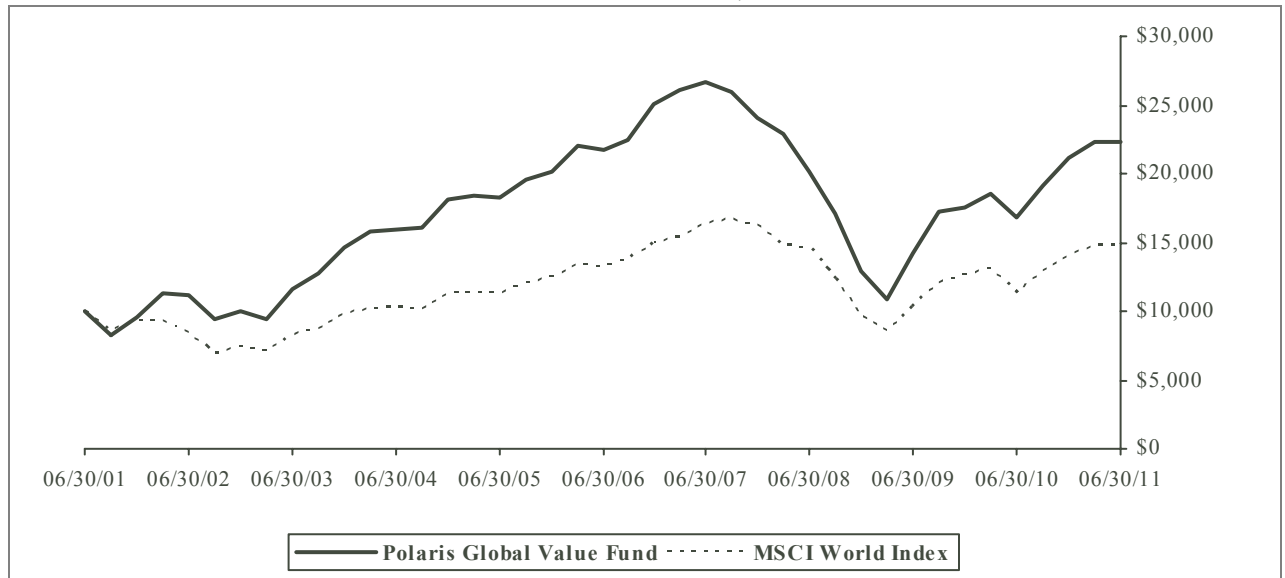
*Performance data quoted represents past performance and is no guarantee of future results. Current performance may be lower or higher than the performance data quoted. Investment return and principal value will fluctuate so that shares, when redeemed, may be worth more or less than original cost. For the most recent month-end performance, please call (888) 263-5594 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% redemption fee. As stated in the Fund's prospectus, the annual operating expense ratio (gross) is 1.39%. The performance table and graph do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares. Returns greater than one year are annualized.*

**Annual Total Return as of 06/30/11**

	<u>One Year</u>	<u>Five Year</u>	<u>Ten Year</u>
Polaris Global Value Fund	33.42%	0.53%	8.37%
MSCI World Index	30.51%	2.28%	3.99%

**Investment Value on 06/30/11**

Polaris Global Value Fund	\$22,347
MSCI World Index	\$14,786



**POLARIS GLOBAL VALUE FUND**  
**SCHEDULE OF INVESTMENTS**  
**JUNE 30, 2011**

<b>Shares</b>	<b>Security Description</b>	<b>Value</b>	<b>Shares</b>	<b>Security Description</b>	<b>Value</b>
<b>Common Stock - 99.3%</b>			<b>Ireland – (continued)</b>		
<b>Australia - 1.6%</b>			239,393 Smurfit Kappa Group PLC (a)		
	30,900 BHP Billiton, Ltd., ADR	\$ 2,924,067			\$ 2,853,620
					7,727,099
<b>Belgium - 1.7%</b>			<b>Israel - 1.3%</b>		
	20,044 KBC Groep NV	787,710		49,300 Teva Pharmaceutical Industries, Ltd., ADR	2,377,246
	15,936 Solvay SA, Class A	2,462,327			
		3,250,037	<b>Italy - 1.6%</b>		
<b>Canada - 1.5%</b>			206,850 Trevi Finanziaria SpA		
	88,837 Methanex Corp.	2,789,138			3,002,634
<b>Finland - 3.7%</b>			<b>Japan - 9.9%</b>		
	46,488 Kone Oyj, Class B	2,921,073		121,400 Asahi Group Holdings, Ltd.	2,435,389
	38,520 Konecranes Oyj	1,565,191		347,320 Iino Kaiun Kaisha, Ltd.	1,704,135
	95,793 YIT Oyj	2,394,880		337 KDDI Corp.	2,415,366
		6,881,144		59,616 MEIJI Holdings Co., Ltd.	2,506,679
<b>France - 4.4%</b>				602,000 Nichirei Corp.	2,564,884
	19,265 Christian Dior SA	3,031,179		618,000 Nippon Yusen KK	2,287,609
	106,100 Etablissements Maurel et Prom	2,601,018		1,189,000 Showa Denko KK	2,451,699
	22,254 Imerys SA	1,568,240		99,600 The Kansai Electric Power Co., Inc.	1,979,504
	62,939 Transgene SA (a)	1,081,561			18,345,265
		8,281,998	<b>Norway - 1.6%</b>		
<b>Germany - 11.7%</b>				160,227 Camillo Eitzen & Co. ASA (a)	193,039
	26,900 BASF SE	2,635,840		198,296 DnB NOR ASA	2,763,938
	36,300 Demag Cranes AG	2,364,082			2,956,977
	168,900 Deutsche Telekom AG	2,648,921	<b>South Africa - 2.7%</b>		
	48,400 Hannover Rueckversicherung AG	2,524,284		1,978,605 Metorex, Ltd. (a)	2,311,659
	15,900 Muenchener Rueckversicherungs AG, Class R	2,431,401		50,270 Sasol, Ltd.	2,646,502
	77,500 Symrise AG	2,470,257			4,958,161
	111,400 Tognum AG	4,177,597	<b>South Korea - 2.4%</b>		
	35,550 Wincor Nixdorf AG	2,569,135		3,427 Samsung Electronics Co., Ltd.	2,651,339
		21,821,517		12,468 SK Telecom Co., Ltd.	1,885,994
					4,537,333
<b>Hong Kong - 0.5%</b>			<b>Sweden - 4.2%</b>		
	1,608,000 Guangdong Investment, Ltd.	859,617		305,200 Duni AB, Class A	2,943,338
<b>India - 1.5%</b>				107,502 Investor AB, Class B	2,464,395
	16,500 Infosys, Ltd., ADR	1,076,295		78,200 Svenska Handelsbanken AB, Class A	2,412,069
	16,400 State Bank of India, GDR	1,764,388			7,819,802
		2,840,683	<b>Switzerland - 1.4%</b>		
<b>Ireland - 4.2%</b>				42,300 Novartis AG	2,591,079
	103,017 CRH PLC	2,290,897	<b>Thailand - 1.2%</b>		
	1,835,987 Greencore Group PLC	2,582,582		921,550 Thai Oil PCL	2,234,515

See Notes to Financial Statements.

**POLARIS GLOBAL VALUE FUND**  
**SCHEDULE OF INVESTMENTS**  
**JUNE 30, 2011**

<u>Shares</u>	<u>Security Description</u>	<u>Value</u>	<u>Principal</u>	<u>Security Description</u>	<u>Rate</u>	<u>Maturity</u>	<u>Value</u>
<b>United Kingdom - 6.9%</b>			<b>Short-Term Investments - 0.0%</b>				
1,409,202	Barratt Developments PLC (a)	\$ 2,582,861	<b>Certificates of Deposit - 0.0%</b>				
225,570	BBA Aviation PLC	787,413	\$ 31,265	Middlesex			
262,648	Bellway PLC	3,013,991		Federal			
1,436,273	Lloyds Banking Group PLC (a)	1,129,522		Savings Bank	2.00%	11/26/11	\$ 31,265
365,147	Persimmon PLC	2,826,485	31,523	Stoneham			
4,178,040	Taylor Wimpey PLC (a)	2,533,357		Savings Bank	1.50	11/24/11	31,523
		<u>12,873,629</u>	<b>Total Certificates of Deposit</b>				
<b>United States - 35.3%</b>			<b>(Cost \$62,788)</b>				
61,600	Allete, Inc.	2,528,064	<b>Total Short-Term Investments</b>				
262,650	Ameris Bancorp (a)	2,329,705	<b>(Cost \$62,788)</b>				
58,509	AMETEK, Inc.	2,627,054	<b>Total Investments - 99.3%</b>				
152,404	Astoria Financial Corp.	1,949,247	<b>(Cost \$192,222,991)*</b>				
234,153	Brooks Automation, Inc. (a)	2,542,902	<b>Other Assets &amp; Liabilities, Net - 0.7%</b>				
2,190	Capitol Federal Financial, Inc.	25,754	<b>Net Assets - 100.0%</b>				
98,100	Carter's, Inc. (a)	3,017,556	<b>\$ 184,901,837</b>				
169,774	Colony Bankcorp, Inc. (a)	487,251	ADR	American Depository Receipt			<b>1,319,589</b>
308,214	Frontier Communications Corp.	2,487,287	GDR	Global Depository Receipt			<b>\$ 186,221,426</b>
33,317	General Dynamics Corp.	2,482,783	PCL	Public Company Limited			
49,800	H.J. Heinz Co.	2,653,344	PLC	Public Limited Company			
63,238	Hewlett-Packard Co.	2,301,863	(a)	Non-income producing security.			
90,924	Independent Bank Corp.	2,386,755	* Cost of investments for federal income tax purposes is				
112,063	International Bancshares Corp.	1,874,814	substantially the same as for financial statement purposes and				
207,270	Mac-Gray Corp.	3,202,321	net unrealized depreciation on investments consists of:				
49,582	Marathon Oil Corp.	2,611,980	Gross Unrealized Appreciation		\$	35,030,657	
36,344	NextEra Energy, Inc.	2,088,326	Gross Unrealized Depreciation			(42,351,811)	
52,400	Peoples Bancorp, Inc.	590,548	Net Unrealized Depreciation		\$	<u>(7,321,154)</u>	
29,049	Praxair, Inc.	3,148,621					
45,600	Quest Diagnostics, Inc.	2,694,960					
90,257	Questcor Pharmaceuticals, Inc. (a)	2,175,194					
177,097	Southwest Bancorp, Inc. (a)	1,733,780					
40,000	The Chubb Corp.	2,504,400					
36,000	The J.M. Smucker Co.	2,751,840					
50,684	UnitedHealth Group, Inc.	2,614,281					
129,700	Uninvest Corp. of Pennsylvania	2,027,211					
57,551	Verizon Communications, Inc.	2,142,624					
138,138	Webster Financial Corp.	2,903,661					
36,600	WellPoint, Inc.	2,882,982					
		<u>65,767,108</u>					
<b>Total Common Stock</b>							
<b>(Cost \$192,160,203)</b>			<b>184,839,049</b>				

**POLARIS GLOBAL VALUE FUND**  
**SCHEDULE OF INVESTMENTS**  
**JUNE 30, 2011**

The following is a summary of the inputs used to value the Fund's investments and other financial instruments and liabilities as of June 30, 2011.

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

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>Assets</b>				
<b>Investments At Value</b>				
Common Stock				
Australia	\$ 2,924,067	\$ -	\$ -	\$ 2,924,067
Belgium	3,250,037	-	-	3,250,037
Canada	2,789,138	-	-	2,789,138
Finland	6,881,144	-	-	6,881,144
France	8,281,998	-	-	8,281,998
Germany	21,821,517	-	-	21,821,517
Hong Kong	859,617	-	-	859,617
India	2,840,683	-	-	2,840,683
Ireland	7,727,099	-	-	7,727,099
Israel	2,377,246	-	-	2,377,246
Italy	3,002,634	-	-	3,002,634
Japan	18,345,265	-	-	18,345,265
Norway	2,956,977	-	-	2,956,977
South Africa	4,958,161	-	-	4,958,161
South Korea	4,537,333	-	-	4,537,333
Sweden	7,819,802	-	-	7,819,802
Switzerland	2,591,079	-	-	2,591,079
Thailand	-	2,234,515	-	2,234,515
United Kingdom	12,873,629	-	-	12,873,629
United States	65,767,108	-	-	65,767,108
Certificates of Deposit	-	62,788	-	62,788
<b>Total Investments At Value</b>	<u>182,604,534</u>	<u>2,297,303</u>	<u>-</u>	<u>184,901,837</u>
<b>Total Assets</b>	<u>\$ 182,604,534</u>	<u>\$ 2,297,303</u>	<u>\$ -</u>	<u>\$ 184,901,837</u>
<b>Liabilities</b>				
<b>Other Financial Instruments**</b>				
Forward Currency Contracts	-	(2,427)	-	(2,427)
<b>Total Liabilities</b>	<u>\$ -</u>	<u>\$ (2,427)</u>	<u>\$ -</u>	<u>\$ (2,427)</u>

\*\* Other Financial Instruments are derivative instruments not reflected in the Schedule of Investments, such as forward currency contracts, which are valued at the unrealized appreciation (depreciation) of the instrument.

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**POLARIS GLOBAL VALUE FUND**  
SCHEDULE OF INVESTMENTS  
JUNE 30, 2011

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**PORTFOLIO HOLDINGS**

**% of Total Investments**

Consumer Discretionary	10.8%
Consumer Staples	8.4%
Energy	5.4%
Financials	19.0%
Health Care	8.9%
Industrials	16.1%
Information Technology	6.0%
Materials	15.1%
Telecommunication Services	6.3%
Utilities	4.0%
Short-Term Investments	0.0%
	<u>100.0%</u>

**POLARIS GLOBAL VALUE FUND**  
**STATEMENT OF ASSETS AND LIABILITIES**  
**JUNE 30, 2011**

**ASSETS**

Total investments, at value (Cost \$192,222,991)	\$ 184,901,837
Foreign currency (Cost \$57,884)	57,956
Receivables:	
Fund shares sold	1,061
Investment securities sold	1,173,223
Dividends and interest	513,445
Prepaid expenses	19,382
<b>Total Assets</b>	<b>186,666,904</b>

**LIABILITIES**

Unrealized loss on forward currency contracts	2,427
Payables:	
Fund shares redeemed	5,436
Foreign capital gains tax payable	157,719
Due to custodian	58,952
Accrued Liabilities:	
Investment adviser fees	150,683
Trustees' fees and expenses	382
Fund service fees	45,092
Compliance services fees	1,941
Other expenses	22,846
<b>Total Liabilities</b>	<b>445,478</b>

<b>NET ASSETS</b>	<b>\$ 186,221,426</b>
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**COMPONENTS OF NET ASSETS**

Paid-in capital	\$ 298,276,468
Undistributed net investment income	3,233,970
Accumulated net realized loss	(107,829,058)
Net unrealized depreciation	(7,459,954)

<b>NET ASSETS</b>	<b>\$ 186,221,426</b>
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**SHARES OF BENEFICIAL INTEREST AT NO PAR VALUE (UNLIMITED SHARES AUTHORIZED)**

12,571,090
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<b>NET ASSET VALUE, OFFERING AND REDEMPTION PRICE PER SHARE*</b>	<b>\$ 14.81</b>
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\*Shares redeemed or exchanged within 180 days of purchase are charged a 1.00% redemption fee.

**POLARIS GLOBAL VALUE FUND**  
**STATEMENT OF OPERATIONS**  
**SIX MONTHS ENDED JUNE 30, 2011**

**INVESTMENT INCOME**

Dividend income (Net of foreign withholding taxes of \$301,740)	\$ 2,911,425
Interest income	1,879
Total Investment Income	<u>2,913,304</u>

**EXPENSES**

Investment adviser fees	937,656
Fund service fees	236,696
Custodian fees	17,577
Registration fees	9,650
Professional fees	24,863
Trustees' fees and expenses	3,289
Compliance services fees	12,399
Miscellaneous expenses	21,673
Total Expenses	<u>1,263,803</u>

**NET INVESTMENT INCOME**

1,649,501

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

Net realized gain (loss) on:	
Investments	10,035,631
Foreign capital gains taxes	(20,203)
Foreign currency transactions	(24,943)
Net realized gain	<u>9,990,485</u>
Net change in unrealized appreciation (depreciation) on:	
Investments	(800,932)
Deferred foreign capital gains taxes	(157,719)
Foreign currency translations	12,577
Net change in unrealized appreciation (depreciation)	<u>(946,074)</u>
<b>NET REALIZED AND UNREALIZED GAIN</b>	<u>9,044,411</u>
<b>INCREASE IN NET ASSETS FROM OPERATIONS</b>	<u>\$ 10,693,912</u>

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

	<b>For the Six Months Ended June 30, 2011</b>	<b>For the Year Ended December 31, 2010</b>
<b>OPERATIONS</b>		
Net investment income	\$ 1,649,501	\$ 1,628,354
Net realized gain (loss)	9,990,485	(9,492,066)
Net change in unrealized appreciation (depreciation)	(946,074)	42,256,658
Increase in Net Assets Resulting from Operations	<u>10,693,912</u>	<u>34,392,946</u>
<b>DISTRIBUTIONS TO SHAREHOLDERS FROM</b>		
Net investment income	<u>(39)</u>	<u>(2,012,912)</u>
Total Distributions to Shareholders	<u>(39)</u>	<u>(2,012,912)</u>
<b>CAPITAL SHARE TRANSACTIONS</b>		
Sale of shares	1,858,775	11,634,190
Reinvestment of distributions	-	1,931,922
Redemption of shares	(14,806,876)	(48,899,792)
Redemption fees	2,452	29,239
Decrease in Net Assets from Capital Share Transactions	<u>(12,945,649)</u>	<u>(35,304,441)</u>
Decrease in Net Assets	<u>(2,251,776)</u>	<u>(2,924,407)</u>
<b>NET ASSETS</b>		
Beginning of Period	<u>188,473,202</u>	<u>191,397,609</u>
End of Period (Including line (a))	<u>\$ 186,221,426</u>	<u>\$ 188,473,202</u>
<b>SHARE TRANSACTIONS</b>		
Sale of shares	127,365	929,098
Reinvestment of distributions	-	137,994
Redemption of shares	(1,018,835)	(3,916,671)
Decrease in Shares	<u>(891,470)</u>	<u>(2,849,579)</u>
(a) Undistributed net investment income.	<u>\$ 3,233,970</u>	<u>\$ 1,584,508</u>

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

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

	For the Six Months Ended June 30, 2011	For the Years Ended December 31,				
	2011	2010	2009	2008	2007	2006
<b>NET ASSET VALUE, Beginning of Period</b>	\$ 14.00	\$ 11.73	\$ 8.66	\$ 17.51	\$ 19.98	\$ 16.20
<b>INVESTMENT OPERATIONS</b>						
Net investment income (a)	0.13	0.11	0.09	0.25	0.20	0.17
Net realized and unrealized gain (loss)	0.68	2.31	2.98	(8.41)	(0.94)	3.80
Total from Investment Operations	0.81	2.42	3.07	(8.16)	(0.74)	3.97
<b>DISTRIBUTIONS TO SHAREHOLDERS FROM</b>						
Net investment income	—(b)	(0.15)	—(b)	(0.31)	(0.26)	(0.16)
Net realized gain	—	—	—	(0.38)	(1.49)	(0.04)
Total Distributions to Shareholders	—	(0.15)	—	(0.69)	(1.75)	(0.20)
<b>REDEMPTION FEES (a)</b>	—(b)	—(b)	—(b)	—(b)	0.02	0.01
<b>NET ASSET VALUE, End of Period</b>	\$ 14.81	\$ 14.00	\$ 11.73	\$ 8.66	\$ 17.51	\$ 19.98
<b>TOTAL RETURN</b>	5.79%(c)	20.64%	35.46%	(46.19)%	(3.97)%	24.57%
<b>RATIOS/SUPPLEMENTARY DATA</b>						
Net Assets at End of						
Period (000's omitted)	\$186,221	\$188,473	\$191,398	\$176,263	\$602,703	\$608,053
Ratios to Average Net Assets:						
Net investment income	1.76%(d)	0.89%	0.91%	1.74%	0.99%	0.93%
Net expense	1.35%(d)	1.38%	1.45%	1.43%	1.19%	1.23%
Gross expense (e)	1.35%(d)	1.39%	1.46%	1.43%	1.19%	1.23%
<b>PORTFOLIO TURNOVER RATE</b>	9%(c)	10%	22%	16%	46%	5%

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

(b) Less than \$0.01 per share.

(c) Not annualized.

(d) Annualized.

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

**Note 1. Organization**

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

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

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

**Security Valuation** – Exchange-traded securities and over-the-counter securities are valued using the last quoted sale or official closing price, provided by independent pricing services as of the close of trading on the market or exchange for which they are primarily traded, on each Fund business day. In the absence of a sale, such securities are valued at the mean of the last bid and ask price provided by independent pricing services. Non-exchange traded securities for which quotations are available are valued using the last quoted sales price, or in the absence of a sale at the mean of the last bid and ask prices provided by independent pricing services. Debt securities may be valued at prices supplied by a fund’s pricing agent based on broker or dealer supplied valuations or matrix pricing, a method of valuing securities by reference to the value of other securities with similar characteristics such as rating, interest rate and maturity. Forward currency contracts are generally valued at the mean of bid and asked prices for the time period interpolated from rates reported by an independent pricing service for proximate time periods. Shares of open-end mutual funds are valued at net asset value (“NAV”). Short-term investments that mature in sixty days or less may be valued at amortized cost.

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

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

Level 1 — quoted prices in active markets for identical assets

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

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**POLARIS GLOBAL VALUE FUND**  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011

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

The aggregate value by input level, as of June 30, 2011, for the Fund's investments is included at the end of the Fund's Schedule of Investments.

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

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

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

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

The volume of open currency positions may vary on a daily basis as the Fund transacts currency contracts in order to achieve the exposure desired by the adviser. During the six months ended June 30, 2011, the Fund entered into an

**POLARIS GLOBAL VALUE FUND**  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011

aggregated total notional value of \$31,939,928 of forward currency contracts. Additionally, the Fund entered into a total value of \$14,321,029 of spot currency contracts for the six months ended June 30, 2011.

The values of each individual forward currency contract outstanding in the Fund as of June 30, 2011, are disclosed in the table below.

<u>Contracts to Sell</u>	<u>Settlement Date</u>	<u>Settlement Value</u>	<u>Net Unrealized Depreciation</u>
(63,961,061) Japanese Yen	07/05/11	\$ 792,087	\$ (2,427)

**Derivatives Transactions** - The Fund's use of derivatives during the six months ended June 30, 2011, was limited to forward currency contracts. Following is a summary of how the derivatives are treated in the financial statements and their impact on the Fund.

<u>Contract Type/ Primary Risk Exposure</u>	<u>Location on Statement of Assets and Liabilities</u>	<u>Asset Derivatives</u>	<u>Location on Statement of Assets and Liabilities</u>	<u>Liability Derivatives</u>
Forward Currency Contracts	Unrealized gain on forward currency contracts	\$ -	Unrealized loss on forward currency contracts	\$ (2,427)

Realized and unrealized gains and losses on derivatives contracts entered into during the six months ended June 30, 2011, by the Fund are recorded in the following locations in the Statement of Operations:

<u>Contract Type/ Primary Risk Exposure</u>	<u>Location of Gain or (Loss) on Derivatives</u>	<u>Realized Gain (Loss) on Derivatives</u>	<u>Change in Unrealized Appreciation (Depreciation) on Derivatives</u>
Forward Currency Contracts	Realized Gain (Loss) – Foreign currency transactions	\$ (93,100)	\$ (2,427)

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

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

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**POLARIS GLOBAL VALUE FUND**  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011

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As of June 30, 2011, there are no uncertain tax positions that would require financial statement recognition, de-recognition, or disclosure. The Fund's federal tax returns filed in the three-year period ended December 31, 2010, remain subject to examination by the Internal Revenue Service.

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

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

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

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

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

**Shareholder Service Plan** – The Trust has adopted a shareholder service plan for the Fund under which the Fund may reimburse the Fund's administrator for amounts paid by the administrator for providing shareholder service activities that are not otherwise provided by the Transfer Agent. The Fund's administrator may make such payments to various financial institutions, including the Adviser, that provide shareholder servicing to their customers invested in the Fund in amounts of up to 0.25% annually of the average daily net assets of the shares held by such customers. During the six months ended June 30, 2011, the Fund did not make any payments under the Shareholder Service Plan.

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

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

**POLARIS GLOBAL VALUE FUND**  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011

**Trustees and Officers** – The Trust pays each independent Trustee an annual retainer fee of \$45,000 for service to the Trust (\$66,000 for the Chairman). In addition, the Chairman receives a monthly stipend of \$500 to cover certain expenses incurred in connection with his duties to the Trust. The Trustees and Chairman may receive additional fees for special Board meetings. Each Trustee is also reimbursed for all reasonable out-of-pocket expenses incurred in connection with his duties as a Trustee, including travel and related expenses incurred in attending Board meetings. The amount of Trustees’ fees attributable to the Fund is disclosed in the Statement of Operations. Certain officers of the Trust are also officers or employees of the above named service providers, and during their terms of office received no compensation from the Fund.

**Note 4. Security Transactions**

The cost of purchases and proceeds from sales of investment securities (including maturities), other than short-term investments for the six months ended June 30, 2011, were \$17,253,135 and \$29,938,627, respectively.

**Note 5. Federal Income Tax and Investment Transactions**

As of December 31, 2010, distributable earnings (accumulated loss) on a tax basis were as follows:

Undistributed Ordinary Income	\$	2,381,071
Unrealized Depreciation		(9,099,351)
Capital and Other Losses		(116,030,635)
Total	\$	<u>(122,748,915)</u>

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

For tax purposes, the prior year post-October loss was \$2,893 (realized during the period November 1, 2010 through December 31, 2010). This loss was recognized for tax purposes on the first business day of the Fund’s current fiscal year, January 1, 2011.

As of December 31, 2010, capital loss carryforwards to offset future capital gains were as follows with the respective expiration dates:

<u>2016</u>	<u>2017</u>	<u>2018</u>
\$ 41,240,428	\$ 59,164,411	\$ 15,622,903

**Note 6. Recent Accounting Pronouncements**

In January 2010, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2010-06 “Improving Disclosures about Fair Value Measurements.” ASU No. 2010-06 clarifies existing disclosure and requires additional disclosures regarding fair value measurements. ASU No. 2010-06 is effective for fiscal years beginning after December 15, 2010, and for interim periods within those fiscal years. Management has evaluated ASU

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**POLARIS GLOBAL VALUE FUND**  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011

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No. 2010-06 and has determined that it did not have a significant impact on the reporting of the Fund's financial statement disclosures.

In May 2011, FASB issued ASU No. 2011-04 "Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs." ASU No. 2011-04 establishes common requirements for measuring fair value and for disclosing information about fair value measurements in accordance with U.S. GAAP and International Financial Reporting Standards ("IFRSs"). ASU No. 2011-04 is effective for interim and annual periods beginning after December 15, 2011. Management is currently evaluating the impact ASU No. 2011-04 may have on financial statement disclosures.

**Note 7. Subsequent Events**

Subsequent events occurring after the date of this report through the date these financial statements were issued have been evaluated for potential impact and the Fund has had no such events.

### **Investment Advisory Agreement Approval**

At the March 25, 2011 Board meeting, the Board, including the Independent Trustees, considered the approval of the continuance of the investment advisory agreement pertaining to the Fund (the “Advisory Agreement”). In evaluating the Advisory Agreement for the Fund, the Board reviewed materials furnished by the Adviser and Atlantic, including information regarding the Adviser, its personnel, operations and financial condition. Specifically, the Board considered, among other matters: (1) the nature, extent and quality of the services to be provided to the Fund by the Adviser, including information on the investment performance of the Adviser; (2) the costs of the services to be provided and profitability to the Adviser with respect to its relationship with the Fund; (3) the advisory fee and the total expense ratio of the Fund compared to relevant peer groups of funds; (4) the extent to which economies of scale would be realized as the Fund grows and whether the advisory fee would enable the Fund’s investors to share in the benefits of economies of scale; and (5) other benefits received by the Adviser from its relationship with the Fund. In their deliberations, the Board did not identify any particular information that was all-important or controlling and attributed different weights to the various factors. In particular, the Board focused on the factors discussed below.

### **Nature, Extent and Quality of Services**

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

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

Based on the foregoing, the Board concluded that the nature, extent and quality of services provided to the Fund under the Advisory Agreement were appropriate in light of its investment objective and, thus, supported a decision to approve the Advisory Agreement.

### **Costs of Services and Profitability**

The Board considered information provided by the Adviser regarding its costs of services and its profitability with respect to the Fund. In this regard, the Board considered the Adviser’s resources devoted to the Fund as well as the Adviser’s discussion of costs and profitability. Based on these and other applicable considerations, the Board concluded that the Adviser’s profits attributable to management of the Fund were not a material factor in approving the Agreement.

### **Performance**

In connection with a presentation by the Adviser regarding its approach to managing the Fund, the Board considered the

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**POLARIS GLOBAL VALUE FUND**  
ADDITIONAL INFORMATION  
JUNE 30, 2011

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Fund's performance. The Board considered the Fund's performance over the 1-year, 3-year and since inception periods ended December 31, 2010, noting that the Fund had outperformed its benchmark over the three periods. Given, among other things, the Fund's performance during those periods, the Board concluded that the Fund's performance was reasonable relative to its benchmark and that the Fund and its shareholders could benefit from the Adviser's management of the Fund.

**Compensation**

The Board considered the Adviser's compensation for providing advisory services to the Fund and analyzed comparative information on fee rates and total expenses of similar mutual funds. The Board noted that the Adviser's actual advisory fee rate of the Fund was higher than the relevant median of the Fund's Lipper Inc. peer group but that its total expense ratio was the lowest. Based on the foregoing, the Board concluded that the Adviser's advisory fee rate charged to the Fund appeared to be within a reasonable range in light of the services it provides to the Fund.

**Economies of Scale**

The Board considered whether the Fund would benefit from any economies of scale. In this respect, the Board noted the Adviser's representation that the Fund could benefit from economies of scale as assets grow, but the Adviser currently is not proposing breakpoints or changes in fees at this time. Based on the foregoing information, the Board concluded that economies of scale were not a material factor in approving the Advisory Agreement.

**Other Benefits**

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

**Conclusion**

The Board did not identify any single factor as being of paramount importance, and different Trustees may have given different weight to different factors. The Board reviewed a memorandum from Trust counsel discussing the legal standards applicable to its consideration of the Advisory Agreement. Based on its review, including consideration of each of the factors referenced above, the Board determined, in the exercise of its business judgment, that the advisory arrangement, as outlined in the Advisory Agreement, was fair and reasonable in light of the services performed, expenses incurred and such other matters as the Board considered relevant in the exercise of its reasonable business judgment.

**Proxy Voting Information**

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

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**POLARIS GLOBAL VALUE FUND**  
ADDITIONAL INFORMATION  
JUNE 30, 2011

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**Availability of Quarterly Portfolio Schedules**

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

**Shareholder Expense Example**

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

The example is based on an investment of \$1,000 invested at the beginning of the period and held for the entire period from January 1, 2011, through June 30, 2011.

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

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

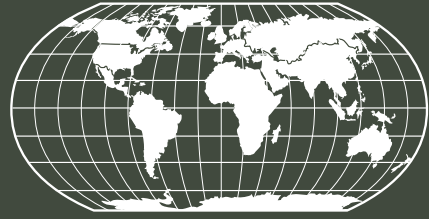
Please note that expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transactional costs, such as redemption fees and exchange fees. Therefore, the second line of the table is useful in comparing ongoing costs only, and will not help you determine the relative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

	<u>Beginning Account Value January 1, 2011</u>	<u>Ending Account Value June 30, 2011</u>	<u>Expenses Paid During Period*</u>	<u>Annualized Expense Ratio*</u>
Actual	\$ 1,000.00	\$ 1,057.86	\$ 6.89	1.35%
Hypothetical (5% return before taxes)	\$ 1,000.00	\$ 1,018.10	\$ 6.76	1.35%

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

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## Polaris Global Value Fund

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

## **SEMI-ANNUAL REPORT**

June 30, 2011

(Unaudited)

# **Polaris**

**Capital Management, LLC**

<http://www.polarisfunds.com>

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225-SAR-0611