

US Large-Cap Value Strategy Update

First Quarter, 2022



Portfolio Activity

Our ESG-driven US Value strategy seeks undervalued, sustainable names with potential catalysts to support rerating. We exited 2021 positioned towards reopening and continued underlying demand for industrial and technology companies. As the quarter's events unfolded, greater near-term uncertainty about both growth and inflation, led us to make some adjustments to the portfolio.

We reduced housing exposure with the sale of flooring company Mohawk and insulation distributor TopBuild, along with trims of other housing-related positions. We also lowered semiconductor and related end market exposure with the sale of Applied Materials and Qualcomm. Two other positions were closed during the quarter: we had been monitoring Citigroup's disappointing progress in its turnaround plans and sold the name in the wake of the Russian invasion of Ukraine. ESG research led us to sell 3M Company due to concerns about its worsening environmental record.

New purchases reflect our quest for attractive valuation alongside ESG momentum. VMware is a technology company that plays into the expanding cloud computing space with expertise in virtualization applications. It enables better hardware utilization and efficiency. Owens Corning, a manufacturer of insulation and composite materials addresses multiple end markets to help reduce energy demand and increase energy efficiency. Alexandria Real Estate Equities is a well-run REIT, an ESG leader with a focus on life sciences buildings and laboratory space.

In other moves, we trimmed some better performing holdings especially in the Industrial sector and reduced exposure to asset gatherers – a strong overweight. We added to current holdings with ESG merit and to more defensive names in the Healthcare and Communications sectors.

Portfolio Review

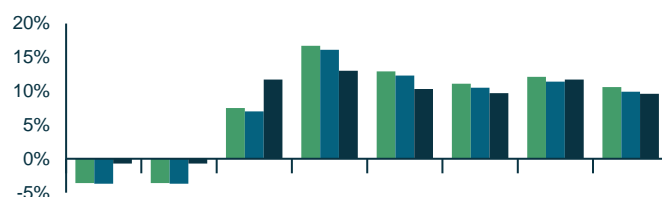
Boston Common's Tax-Exempt US Value Equity composite declined (-3.6%) before fees this quarter, lagging the Russell 1000 Value Index ("the Index"). Positive stock selection was not enough to overcome the impact of sector allocation challenges: no exposure to the conventional Energy sector, underweight to outperforming Utilities, and overweight to lagging Consumer Discretionary.

Many of our top-performing holdings this quarter were Healthcare companies (Merck, Organon, Regeneron) and the sector was a strong positive contributor to relative performance. Stock selection in the economically sensitive sectors of Industrials (Deere) and Materials (Steel Dynamics) benefited from rising agricultural and steel prices. Traditional defensive names, such as grocer Kroger, also performed well.

Our selections within Consumer Discretionary and Technology sectors were major detractors this quarter. In the former, housing (builder KB Home, insulation distributor TopBuild) as well as auto-related and retailing stocks were especially weak. In the latter,

semiconductor exposure was a particular drag. Within the Financials sector, the more concentrated exposure to asset managers versus regional banks hurt returns. However, specialty insurer UNUM and small business financing and travel company American Express were top contributors – both beneficiaries of a return to "normal" in business hiring and travel.

Performance



	QTD	YTD	1Yr	3Yr	5Yr	7Yr	10Yr	Inception*
Gross	-3.6%	-3.6%	7.5%	16.7%	12.9%	11.1%	12.1%	10.6%
Net	-3.7%	-3.7%	7.0%	16.1%	12.3%	10.5%	11.4%	9.9%
Russell 1000	-0.7%	-0.7%	11.7%	13.0%	10.3%	9.7%	11.7%	9.6%

Annual Returns

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Gross	-3.6%	24.3%	14.0%	29.0%	-8.8%	17.8%	13.0%	-1.6%	8.5%	35.1%
Net	-3.7%	23.7%	13.4%	28.3%	-9.3%	17.1%	12.3%	-2.3%	7.7%	34.0%
Russell 1000 Value	-0.7%	25.2%	2.8%	26.5%	-8.3%	13.7%	17.3%	-3.8%	13.5%	32.5%

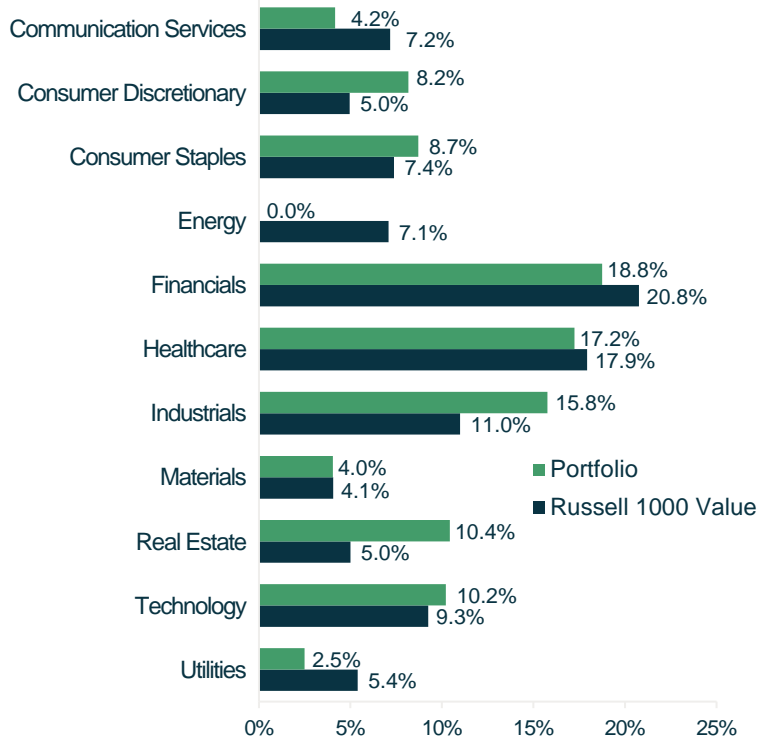
Portfolio Characteristics

	Boston Common	Russell 1000 Value
# Holdings	52	849
Valuation		
Price/EPS (NTM)	14.4	15.8
Enterprise Value/EBITDA (NTM)	10.2	11.3
Price/Book	2.8	2.6
Price/Sales	2.0	2.2
Dividend Yield	1.8%	1.7%
Growth		
3yr EPS Consensus Growth	5.8%	4.7%
3yr Sales consensus Growth	4.5%	4.2%
Quality		
Beta**	0.91	1.00
LT Debt to Cap.	44.5%	38.3%
Net Debt to EBITDA	2.2	2.0
Return on Equity	12.6%	12.4%
Earnings Variability***	21.9%	22.9%
Free Cash Flow Yield	5.6%	5.0%

Source: APX Advent Portfolio Exchange. Past performance does not guarantee future results. All investments involve risk, including the risk of losing principal

*Since Inception: December 31, 2002 **The Beta calculation is based on the trailing five-year performance of a representative account within a portfolio's strategy, ***Variability is calculated as the mean absolute difference between actual earnings per share and a five-year historical growth trendline, expressed as a percentage of trendline

Sector Allocation



Contributors & Detractors

Top 10	% of Capital	Return	Relative Contrib.	Sector
STEEL DYNAMICS INC	1.8%	34.8%	0.54%	Materials
UNUM GROUP	1.4%	26.6%	0.35%	Financials
KROGER CO	1.3%	27.4%	0.33%	Consumer Staples
MERCK & CO INC	3.0%	7.9%	0.33%	Healthcare
DEERE & CO	1.6%	21.4%	0.30%	Industrials
HENRY SCHEIN INC	2.2%	12.5%	0.27%	Healthcare
REGENERON	2.3%	10.6%	0.26%	Healthcare
AMERICAN EXPRESS CO	2.4%	13.3%	0.23%	Financials
UNITED RENTALS INC	1.6%	5.5%	0.20%	Industrials
ORGANON & CO	1.6%	15.1%	0.19%	Healthcare
			2.99%	

Bottom 10	% of Capital	Return	Relative Contrib.	Sector
CIENA CORP	2.2%	-21.2%	-0.52%	Technology
LOWES COS INC	2.2%	-21.5%	-0.49%	Consumer Discretionary
TJX COS INC	2.1%	-19.9%	-0.44%	Consumer Discretionary
T ROWE PRICE GROUP INC	1.2%	-24.4%	-0.42%	Financials
MAGNA INTL INC	1.9%	-20.2%	-0.41%	Consumer Discretionary
MICRON TECHNOLOGY INC	2.2%	-16.4%	-0.39%	Technology
APPLIED MATLS INC	0.9%	-20.4%	-0.35%	Technology
KB HOME	1.0%	-27.3%	-0.31%	Consumer Discretionary
TOPBUILD CORP	0.8%	-25.5%	-0.29%	Consumer Discretionary
MORGAN STANLEY	3.1%	-10.7%	-0.27%	Financials
			-3.88%	

Portfolio Activity

Closed	Sector	% of Port.
3M CO COM	Industrials	0.9%
APPLIED MATLS INC COM	Technology	1.8%
BIOGEN INC COM	Healthcare	1.1%
CITIGROUP INC COM NEW	Financials	3.1%
MOHAWK INDS INC COM	Consumer Discretionary	1.4%
QUALCOMM INC COM	Technology	1.0%
TOPBUILD CORP COM	Consumer Discretionary	1.2%
ZIMVIE INC COM	Healthcare	0.0%
Total Closed		10.5%
New	Sector	% of Port.
OWENS CORNING NEW COM	Industrials	1.0%
VMWARE INC CL A COM	Technology	1.6%
ZIMVIE INC COM	Healthcare	0.0%
Total New		2.6%

Shareowner Engagement Highlights

Portfolio Company Progress

- Booking Holdings released its first Climate Action Plan - a key step for a global online travel company - which includes a near-zero emissions target for its operations by 2030 and net zero by 2040.
- Alibaba is developing a company-wide human rights policy, recently established a board-level sustainability committee, and announced new climate targets.
- Lloyds integrated sustainability objectives into its core business planning and is linking sustainability to variable compensation for leadership.
- Yamaha is on track to meet its sustainable timber sourcing goal this year and plans to set more ambitious targets next year. Yamaha recently joined the 30% Club of Japan and signed the Women's Empowerment Principles.

Public Policy: SEC announces new climate disclosure requirements

- The SEC's Enhancement and Standardization of Climate-Related Disclosure includes Scope 3. Boston Common recommended the inclusion of Scope 3 and assurance in its written submission to the SEC and in its meeting with Chairman Gensler last fall.

Strategy Vehicle Options

Separate Account, Model/ADR

Source: APX Advent Portfolio Exchange. Past performance does not guarantee future results. All investments involve risk, including the risk of losing principal

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