

International Strategy Update

Second Quarter, 2022



Portfolio Activity

Among our transactions this quarter, we added two stable European companies with price to earnings ratios below 14.5x and dividend yields above 4%. First, we purchased UK utility SSE. The company's current operations and long-term strategy are aligned with the transition to clean energy. SSE's capital investment plan is designed to double and then triple wind power capacity by 2026 and 2031, driving over 70% of earnings growth. The company's transmission & distribution business should benefit from the rising importance of grid connections as the economy shifts from fossil fuels to electricity. We also bought Ahold, a European and US grocery store operator based in the Netherlands. The company's strong operational profile is characterized by products tailored to consumers' health & wellness trends and integrated ecommerce. Demand for Ahold's affordable generic brand should also benefit from rising food inflation. The company has industry leading ESG practices, including operating the first large-scale supermarket chain (Hannaford) in the Northeast US to achieve zero food waste to landfills.

During the quarter, we sold plumbing supplies distributor Ferguson since the company is changing its primary listing from the UK to the US. We also sold HDFC Bank, an Indian lender that has outperformed this year.

Portfolio Review

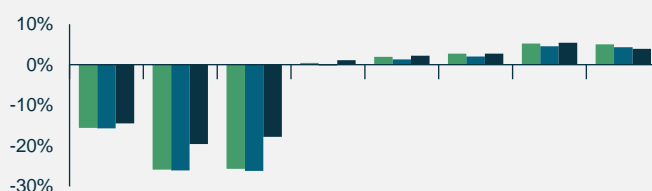
A composite of Boston Common's International portfolios declined -15.6% before fees, underperforming the MSCI EAFE Index ("the Index"). The Industrials sector was the largest detractor, as European holdings Schneider Electric, Atlas Copco, and Kion declined with concerns around slowing economic activity. In Japan, Recruit, the owner of job placement website Indeed, was pressured by fears of a weaker labor market. The Healthcare sector was also a detractor from relative performance. Japanese eyeglass and technology supplier Hoya declined alongside semiconductor-related companies. Likely softening technology demand pressured German chip producer Infineon. Our lack of exposure to conventional Energy was also a drag. From a regional perspective, the United Kingdom was the largest detractor from relative performance, including steam specialist Spirax-Sarco and specialty chemicals manufacturer Croda. Japanese holdings also weighed on returns, including bike parts manufacturer Shimano. In Australia, asset manager Macquarie and real estate company Mirvac were also among the detractors.

Our stock selection in the Communication Services sector was the largest contributor to performance. Deutsche Telekom outperformed its peers thanks to strong operations at its US subsidiary T-Mobile and potential value creation from divestment of its tower assets. Stock selection in the Technology sector was also a key contributor. Chinese solar glass producer Xinyi Solar and French payments processor Worldline outperformed peers. Financials also added value this quarter, led by insurance groups AIA in Hong Kong and Sampo in Finland as well as Dutch Bank ING Groep. Europe ex. UK helped performance with strong returns from personal care producer Essity, French auto parts supplier Valeo, and pharmaceutical companies Novo Nordisk and Novartis. Emerging Markets was also a positive contributor, driven by Alibaba.

Annual Returns

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Gross	-25.9%	4.5%	19.6%	25.2%	-12.9%	27.5%	0.3%	-1.0%	-5.3%	23.2%
Net	-26.1%	3.9%	18.8%	24.4%	-13.5%	26.6%	-0.5%	-1.7%	-5.9%	22.3%
MSCI EAFE	-19.6%	11.3%	7.8%	22.0%	-13.8%	25.0%	1.0%	-0.8%	-4.9%	22.8%

Performance



	QTD	YTD	1Yr	3Yr	5Yr	7Yr	10Yr	Since Inception*
Gross	-15.6%	-25.9%	-25.7%	0.4%	1.9%	2.7%	5.2%	5.0%
Net	-15.7%	-26.1%	-26.2%	-0.2%	1.3%	2.0%	4.5%	4.3%
MSCI EAFE	-14.5%	-19.6%	-17.8%	1.1%	2.2%	2.7%	5.4%	3.9%

Portfolio Characteristics

	Boston Common	MSCI EAFE
# Holdings	59	799
Valuation		
Price/EPS (NTM)	13.3	12.6
Enterprise Value/EBITDA (NTM)	8.8	8.0
Price/Book	1.9	1.8
Price/Sales	1.4	1.3
Dividend Yield	2.8%	3.0%
Growth		
3yr EPS Consensus Growth	5.3%	3.6%
3yr Sales Growth	6.0%	4.8%
Quality		
Beta**	0.95	1.00
LT Debt to Cap	29.2%	31.1%
Net Debt to EBITDA	1.5	1.6
Return on Equity	13.3%	13.0%
Earnings Variability***	20.7%	25.6%
Free Cash Flow Yield	3.6%	5.2%

Strategy Vehicle Options

Separate Account, Commingled Fund, Model/ADR, Mutual Fund**

**Subadvised by Boston Common

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

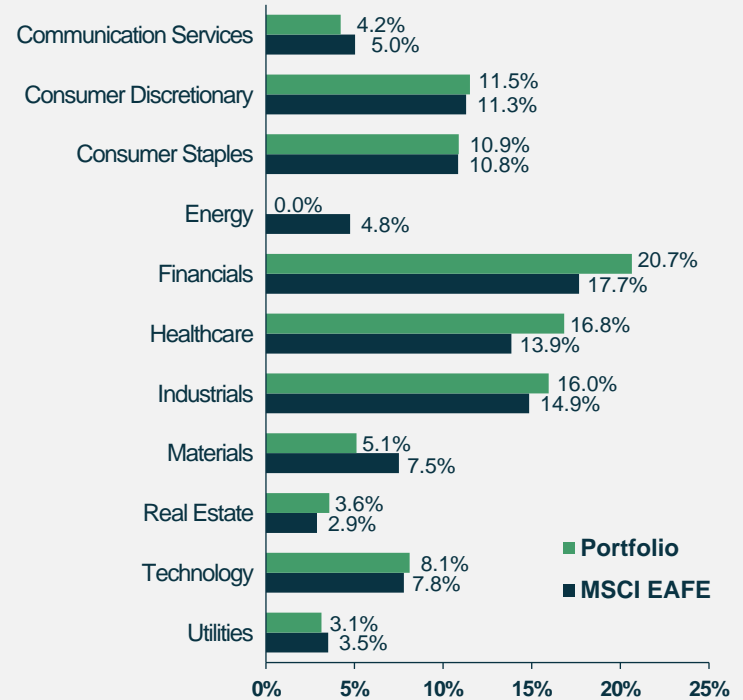
*Since Inception: December 31, 2004 **The Beta calculation is based on the trailing five-year performance of a representative account within a portfolio's strategy, ***Variability is calculated as the mean absolute difference between actual earnings per share and a five-year historical growth trendline, expressed as a percentage of trendline

Portfolio Outlook and Positioning

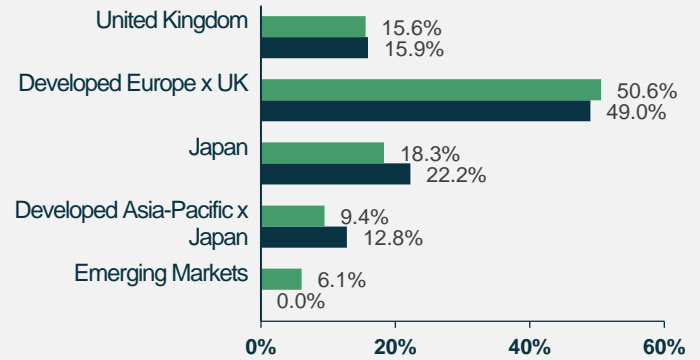
European and Japanese growth expectations have deteriorated with heightened macroeconomic uncertainty. Greater curtailment of Russian natural gas delivery to Europe looms as a key industrial and societal threat, especially this winter. Vigorous policy response, led by Germany, could foster a deeper and faster transition to electrification, renewable power, and efficiency that will enhance both national security and environmental resilience. Rising costs from the commodity supply shock and pandemic disruptions along with corresponding higher interest rates will likely weigh on spending and investment for consumers and businesses. However, mitigating considerations include robust labor markets with low unemployment and rising wages, a pro-growth policy shift in China, and pent-up demand for many products and services. In addition, this year's equity market decline and relatively low valuation at least partially reflect the macro challenges.

Given our view that the probability of recession and expansion are nearly equivalent, we have sought to balance the portfolio among defensive and growth investments. In aggregate, we are overweight the relatively stable Healthcare, Consumer Staples, Communication Services, and Utilities sectors. Our cyclical exposure is mostly concentrated in the Industrial, Technology, and Consumer Discretionary sectors. We remain overweight Financials based on their positive correlation with higher interest rates. All our holdings reflect our preference for high-quality companies positioned for a net-zero economy and more just society.

Sector Allocation



Regional Allocation



Contributors & Detractors

Top 10	% of Capital	Return	Relative Contrib.	Sector	Bottom 10	% of Capital	Return	Relative Contrib.	Sector
DEUTSCHE TELEKOM	3.7%	9.1%	0.85%	Communication Services	SCHNEIDER ELECTRIC	2.7%	-28.8%	-0.46%	Industrials
UNILEVER	2.6%	0.8%	0.40%	Consumer Staples	RECRUIT HLDGS CO	1.4%	-34.1%	-0.34%	Industrials
ESSITY AB	1.6%	9.3%	0.36%	Consumer Staples	SHIMANO INC	1.8%	-27.2%	-0.32%	Consumer Discretionary
ING GROEP N.V.	2.4%	-0.6%	0.33%	Financials	MACQUARIE GP LTD	2.7%	-24.4%	-0.31%	Financials
AIA GROUP LTD	1.6%	4.4%	0.31%	Financials	INFINEON TECHNOLOG	1.6%	-30.0%	-0.29%	Technology
NOVARTIS	2.6%	-4.4%	0.27%	Healthcare	MIRVAC GROUP	1.9%	-27.4%	-0.27%	Real Estate
SAMPO	2.9%	-5.8%	0.25%	Financials	HOYA CORP	2.1%	-25.9%	-0.26%	Healthcare
VALEO SA	1.3%	5.1%	0.25%	Consumer Discretionary	KION GROUP	0.8%	-36.4%	-0.22%	Industrials
NOVO NORDISK A/S	1.9%	-1.2%	0.24%	Healthcare	VESTAS WIND SYSTEM	1.2%	-29.4%	-0.22%	Industrials
ALIBABA GROUP HLDG LTD	1.0%	4.5%	0.21%	Consumer Discretionary	VONOVIA SE	0.9%	-31.3%	-0.19%	Real Estate
			3.46%					-2.88%	

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

The information in this document is not a recommendation to buy or sell any security. There is no assurance that securities discussed will remain in a strategy upon receiving this document. Securities discussed represent only a portion of a strategy's holdings. It should not be assumed that securities transactions discussed were or will be profitable. Composite returns are presented in U.S. dollars, net of transaction costs, management fees and withholding taxes, with interest and dividends accrued. Returns for periods greater than one year are annualized. This product invests in foreign securities, which are subject to special currency, political and economic risks. The MSCI (Net) EAFE Index is a free-float adjusted market capitalization index that is designed to measure developed market equity performance in developed markets as determined by MSCI, excluding the U.S. and Canada. The Index's performance results are presented net of estimated foreign withholding taxes on dividends, interest and capital gains. The index is unmanaged and does not incur management fees, transaction costs, or other expenses associated with separately managed accounts. The composition of our composite varies from the composition of the Index because of differences in sector and industry exposure, risk, volatility and holdings. Boston Common claims compliance with Global Investment Performance Standards (GIPS®). For a full listing of Boston Common's composites and to request a GIPS® Compliant presentation, please call 617-720-5557.

