

Global Impact Equity Strategy Update

Third Quarter, 2022



Portfolio Activity

Following heightened transaction volume near the end of the second quarter, portfolio activity focused on incremental adjustment to current position sizes. The stimulus measures for solar energy in the IRA ignited a price surge of solar stocks, and we trimmed our largest US solar holdings Enphase Energy and First Solar for risk control purposes. We reduced consumer discretionary exposure in Japan and US smaller-cap holdings.

We added to lower volatility names related to the impact theme of Water Quality and Recycling such as American Water Works and LKQ Corp, respectively. Furthermore, we enlarged our exposure to Access to Health. Regeneron and Gilead Sciences are relatively defensive, attractively valued US-based biotech companies that recently received positive news regarding some bestselling products. We added back to BYD Co. following earlier trims at much higher price levels. BYD is strengthening its leadership in China, where the penetration rate of Battery Electric Vehicles & Plug-in Hybrid EVs combined is approaching 30%. In China, BYD now sells more EVs than Tesla, and we expect the company to enter the US and European markets shortly. We added to lithium producer SQM in Chile. The company announced additional capital expenditures to further improve its environmental footprint as it benefits from increased production volumes and high lithium prices.

Portfolio Review

A composite of Boston Common's Global Impact portfolios declined -5.9% before fees, less than the Index. Stock selection in the Technology sector was the primary driver of relative returns. Recent legislation in the US strengthened the near-term dynamics for our US-based solar energy holdings Enphase Energy (power inverter specialist) and First Solar (module manufacturer). Payments companies PayPal in the US and PagSeguro in Brazil gained from an improving focus on profitability. Within Industrials, our eco-efficiency holdings outperformed on a relative basis. From a regional perspective, the United States was the largest contributor to performance.

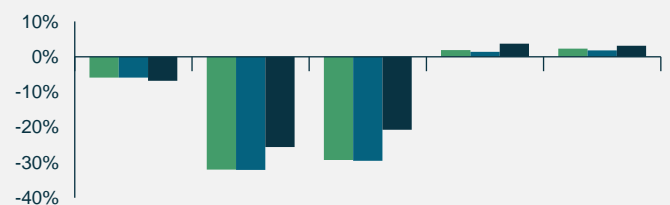
Stock selection in the Consumer Discretionary sector was the primary detractor from relative performance.

Lockdowns in key Chinese cities weighed on leading electric vehicle and battery manufacturer BYD Co. British home builder Barratt Development was pressured by the UK macro backdrop, as spiking mortgage interest rates pose a headwind for residential real estate. Japanese manufacturers of leisure products Yamaha Corp. (musical

Annual Returns

	2022	2021	2020	2019	2018
Gross	-32.0%	12.9%	25.8%	27.8%	-11.3%
Net	-32.1%	12.4%	25.0%	27.1%	-11.4%
MSCI ACWI	-25.6%	18.5%	16.3%	26.6%	-12.8%

Performance



Portfolio Characteristics

	Boston Common	MSCI ACWI
# Holdings	57	2,900
Valuation		
Price/EPS (NTM)	15.1	13.8
Enterprise Value/EBITDA (NTM)	9.5	9.1
Price/Book	2.3	2.5
Price/Sales	1.8	1.7
Dividend Yield	1.7%	2.3%
Growth		
3yr EPS Consensus Growth	6.0%	4.3%
3yr Sales Growth	5.5%	5.5%
Quality		
Beta**	1.00	1.00
LT Debt to Cap.	30.0%	34.9%
Net Debt to EBITDA	1.4	1.2
Return on Equity	13.9%	16.4%
Earnings Variability***	22.6%	23.1%
Free Cash Flow Yield	3.1%	4.4%

Strategy Vehicle Options

Separate Account, Commingled Fund, Model/ADR, Mutual Fund¹

¹Subadvised by Boston Common

Portfolio Review (continued)

instruments) and Shimano (cycling components) declined amidst ongoing chip shortages and normalization of demand post COVID, respectively. On a regional basis, developed European holdings detracted from relative returns.

Outlook and Positioning

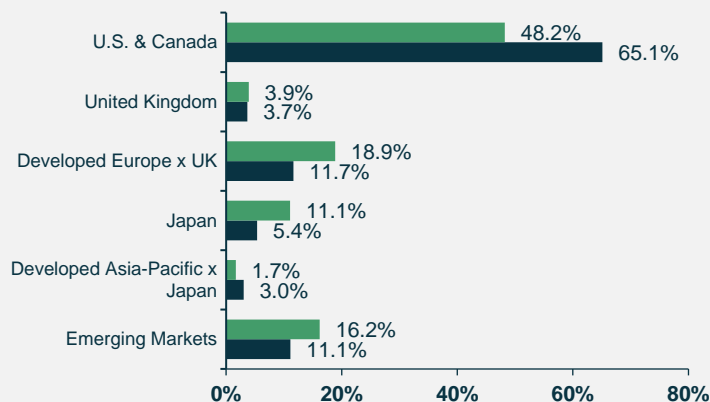
The Russian war against Ukraine and the related European energy crisis are geopolitical threats that hinder global economic recovery. China's reluctance to abandon its zero-COVID policy is also stymying global growth. In this uncertain and higher interest rate market environment, we are increasingly cautious regarding higher-valued stocks. We have gradually moved the portfolio stance more defensively and decreased cyclical exposure in Europe and Japan while adding to defensively tilted impact themes of Access to Health and Water Management.

While short-term policy interest rates are poised to rise further, we see disinflationary trends on the horizon. Commodity-related inflation appears to be easing as corporations right-size supply chains and consumer demand moderates. Corporate executives of many holdings continue to display optimism about future revenue growth capabilities, especially as many companies stand to benefit from the electrification and renewable power energy transition. The recently passed Inflation Reduction Act (IRA) in the US contains \$369 billion in climate spending and should help to drive US climate action forward and help to rebuild US credibility on the international climate stage. Our Global Impact strategy is well aligned with such policy measures.

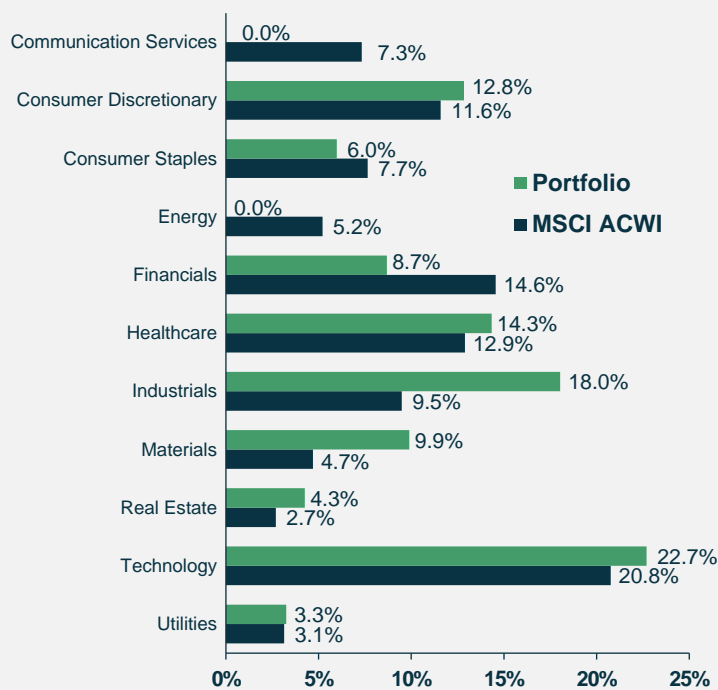
Contributors & Detractors

Top 10	% of Capital	Return	Relative Contrib.	Sector
ENPHASE ENERGY INC	2.4%	45.2%	1.20%	Technology
FIRST SOLAR INC	1.3%	98.5%	1.01%	Technology
PAYPAL HLDGS INC	2.3%	23.9%	0.57%	Technology
BIOGEN INC	1.4%	33.2%	0.56%	Healthcare
XYLEM INC	2.7%	12.1%	0.45%	Industrials
SPROUTS FMRS MKT INC	2.3%	9.7%	0.38%	Consumer Staples
PAGSEGURO DIGITAL LTD	1.2%	29.2%	0.34%	Technology
BK RAKYAT	2.6%	5.8%	0.32%	Financials
REGENERON	0.9%	10.2%	0.28%	Healthcare
HDFC BANK LTD	1.7%	7.2%	0.22%	Financials
			5.33%	

Regional Allocation



Sector Allocation



Bottom 10	% of Capital	Return	Relative Contrib.	Sector
CHINA TRAD CHINESE	1.8%	-41.8%	-0.78%	Healthcare
BYD COMPANY LTD	2.2%	-38.4%	-0.76%	Consumer Discretionary
XINYI SOLAR HLDGS	1.7%	-30.8%	-0.45%	Technology
BARRATT DEVEL	1.7%	-31.2%	-0.41%	Consumer Discretionary
ADOBE SYSTEMS INC	2.3%	-24.8%	-0.40%	Technology
BORREGAARD ASA SHS	1.8%	-27.2%	-0.37%	Materials
SONOVA HOLDING	1.5%	-29.6%	-0.35%	Healthcare
PING AN INSURANCE	1.5%	-26.6%	-0.33%	Financials
ORSTED A/S	2.0%	-23.0%	-0.28%	Utilities
VONOVIA SE	1.2%	-29.2%	-0.27%	Real Estate
			-4.41%	

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) ACWI Index is a free-float adjusted, market capitalization-weighted index of the largest publicly traded companies listed on the exchanges of the developed and emerging market countries around the world. 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 department at 617-720-5557.