

US Large-Cap Value Strategy Update

Fourth Quarter, 2022

For professional investors only



Portfolio Activity

This quarter saw moderate portfolio activity as we maintained a defensive tilt. We selectively reduced the portfolio's sensitivity to slowing economic growth, exiting home improvement retailer Lowe's and packaging manufacturer Westrock. Given rising market volatility, we sold asset manager T. Rowe Price.

We trimmed Amgen, taking profits following a sharp positive move, and added to stable utility sector holdings Consolidated Edison and Eversource Energy (ES). We are encouraged by steps ES is taking to align its climate goals with the Science-Based Targets initiative (SBTi). It is one of the "early adopters" among US-based energy utilities in committing to action through SBTi.

Finally, we initiated a new position in Quest Diagnostics, the largest lab network in the world providing a broad range of routine and advanced diagnostic services. Quest provides test results to one in three adult Americans each year. The pandemic highlighted the importance of diagnostic testing at both the individual and societal levels. An improved regulatory and pricing backdrop and the consistency of its core testing business make Quest Diagnostics an attractive investment opportunity.

Portfolio Review

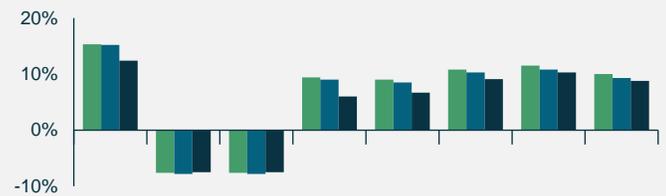
Boston Common's Tax-Exempt US Value Equity composite returned +15.3% in the fourth quarter, comfortably outperforming the Russell 1000 Value Index (the "Index"). For the year, the Value composite (-7.6%) was modestly behind the Index (-7.5%). Having no exposure to the top performing Energy sector (+22.8% for Q4 and +65.3% for 2022) posed an allocation challenge, but the combination of differentiated ESG-integrated thought, well-researched stock selection, and sound portfolio construction enabled outperformance.

Driven by stock selection, our Healthcare sector returns were strong, followed by Technology and Industrials. Significant returns from biotech company Gilead Sciences, pharmaceutical leader Merck, and orthopedics manufacturer Zimmer Biomet made the Healthcare sector our top contributor to performance even though the sector lagged the market overall. Many other portfolio holdings outperformed, notably steel producer/metals recycler Steel Dynamics, "shared economy" player United Rentals, industrial and process automation leader Emerson Electric, and enterprise software leader Oracle. Other contributors to relative performance included off-price retailer TJX Companies, consumer multinational P&G, and life insurance/employee benefits company MetLife. On the allocation side, our underweight to the poor-performing Communications sector helped relative performance.

Annual Returns

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Gross	-7.6%	24.3%	14.0%	29.0%	-8.8%	17.8%	13.0%	-1.6%	8.5%	35.1%
Net	-7.8%	23.7%	13.4%	28.3%	-9.3%	17.1%	12.3%	-2.3%	7.7%	34.0%
Russell 1000 Value	-7.5%	25.2%	2.8%	26.5%	-8.3%	13.7%	17.3%	-3.8%	13.5%	32.5%

Performance



	QTD	YTD	1Yr	3Yr	5Yr	7Yr	10Yr	Since Inception*
Gross	15.3%	-7.6%	-7.6%	9.4%	9.0%	10.8%	11.5%	10.0%
Net	15.2%	-7.8%	-7.8%	9.0%	8.5%	10.3%	10.8%	9.3%
Russell 1000 Value	12.4%	-7.5%	-7.5%	6.0%	6.7%	9.1%	10.3%	8.8%

Portfolio Characteristics

	Boston Common	Russell 1000 Value
# Holdings	51	852
Valuation		
Price/EPS (NTM)	13.6	14.4
Enterprise Value/EBITDA (NTM)	10.4	10.3
Price/Book	2.6	2.4
Price/Sales	2.0	1.8
Dividend Yield	2.1%	2.0%
Growth		
3yr EPS Consensus Growth	-0.9%	-1.7%
3yr Sales consensus Growth	3.1%	3.5%
Quality		
Beta**	0.93	1.00
LT Debt to Cap.	46.6%	40.0%
Net Debt to EBITDA	2.3	1.9
Return on Equity	17.3%	15.5%
Earnings Variability***	19.5%	23.4%
Free Cash Flow Yield	5.1%	5.1%

Strategy Vehicle Options

Separate Account, Commingled Fund, Model/ADR

Outlook and Positioning

We expect US economic growth to slow gradually during 2023. The lagging impacts of the dramatic rise in interest rates and inflation, supply chain disruptions, pandemic concerns, and the unsettling consequences of Russia's invasion of Ukraine will all contribute to prolonged uncertainty. These cross currents will likely create near-term challenges for corporate earnings and margins.

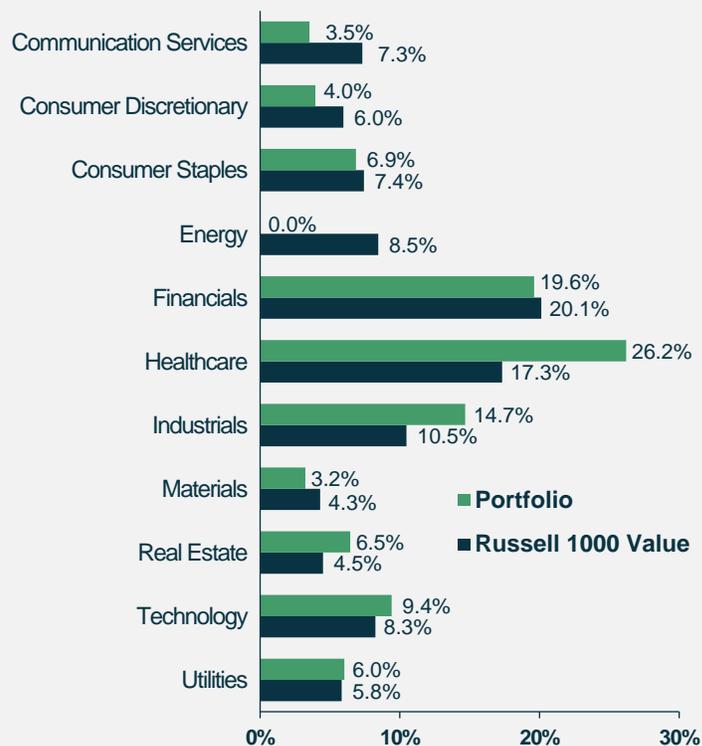
Since March 2022, the Federal Reserve has taken rapid, significant steps to pivot away from the extremely stimulative policies of the pandemic-era by raising rates and steadily reversing quantitative easing. Central banks have demonstrated a willingness to endure market volatility and macroeconomic stress to curtail inflationary pressures. We expect inflation to abate gradually from current high levels, though several secular structural forces (deglobalization, climate-impact mitigation, worker shortages, declining productivity) may make it difficult to reach the 2% target laid out by the Fed. Importantly, 2022 may mark the end of a long period of steady disinflation and very low interest rates, high valuations for long duration assets, and narrow market leadership.

In this period of transition and uncorrelated stock outcomes, we see opportunity for active management and attention to valuation. We continue to focus on undervalued sustainable companies with catalysts for re-rating. In every sector, we seek companies with recession-agnostic revenue models, opportunities to participate in broadening or changing end-markets, and transforming companies with strong ESG commitment, clarity in strategic direction, or sharp execution.

Among cyclicals we see opportunity in companies enhancing resource productivity, carbon productivity, and human productivity. Sustainability-driven capital spending, fiscally-supported infrastructure, and reshoring efforts remain long-term areas of focus. In last year's dynamic market

environment, we selectively added names in the health and well-being space at attractive valuations. We continue to seek exposure to cash flow-generating businesses with valuation support.

Sector Allocation



Contributors & Detractors

Top 10	% of Capital	Return	Relative Contrib.	Sector
MERCK & CO INC	5.9%	29.7%	0.90%	Healthcare
GILEAD SCIENCES INC	3.0%	40.3%	0.66%	Healthcare
ORACLE CORP	2.5%	34.5%	0.47%	Technology
UNITED RENTALS INC	2.3%	31.6%	0.36%	Industrials
PROCTER AND GAMBLE CO	3.4%	20.9%	0.26%	Consumer Staples
STEEL DYNAMICS INC	1.3%	38.8%	0.26%	Materials
TJX COS INC	1.8%	28.7%	0.26%	Consumer Discretionary
EMERSON ELEC CO	1.2%	31.9%	0.20%	Industrials
METLIFE INC	2.8%	19.9%	0.20%	Financials
ZIMMER BIOMET HOLDINGS INC	2.1%	22.7%	0.19%	Healthcare
			3.77%	

Bottom 10	% of Capital	Return	Relative Contrib.	Sector
FIDELITY NATL INFORMATION	1.0%	-9.6%	-0.24%	Technology
VERTEX PHARMACEUTICALS I	1.9%	-0.3%	-0.23%	Healthcare
VERIZON COMMUNICATIONS I	3.4%	5.5%	-0.23%	Communication Services
CROWN CASTLE INC	0.9%	-5.1%	-0.18%	Real Estate
HANNON ARMSTRONG	1.3%	0.7%	-0.17%	Real Estate
MICRON TECHNOLOGY INC	1.6%	0.2%	-0.17%	Technology
REGENERON PHARMACEUTICALS	2.1%	4.7%	-0.14%	Healthcare
FIFTH THIRD BANCORP	2.1%	4.7%	-0.13%	Financials
PNC FINL SVCS GROUP INC	2.6%	6.7%	-0.12%	Financials
TARGET CORP	1.0%	1.1%	-0.10%	Consumer Discretionary
			-1.72%	

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. The Russell 1000 Value Index is a capitalization-weighted index of the largest publicly-traded U.S. companies that have a low price-to-book, price-to-earnings, and price-to-cash-flow valuations relative to a broader universe of companies. 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.