Strategy Overview

First Quarter, 2023

Boston Common Asset Management

All Country International Equity Strategy

Boston Common's All Country International Equity invests in a diversified portfolio of high-quality companies with sound governance and sustainable business models selling into growing end markets. The strategy's financial and ESG quality bias seeks capital preservation in down markets and long-term outperformance vs. the benchmark. Vehicle options include Separate Account, Commingled Fund, Model/ADR, Mutual Fund[1]

[1]Subadvised by Boston Common

Portfolio Activity

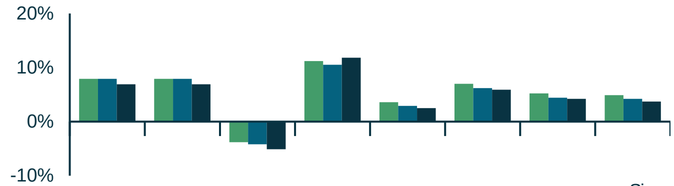
Among our transactions this quarter we purchased Spanish apparel retailer Inditex. The company's Zara franchise offers customers a popular and diverse value proposition that has scope for growth, especially in the US. Zara's competitive advantage may be its sustainable and transparent sourcing model that focuses on smaller batches of designs and decentralized manufacturing. Leading climate change commitments also boost its ESG profile. Trading at 10x EBITDA with a 3.5% dividend yield and net cash on its balance sheet, Inditex looks compelling. We also bought Convatec, a UK medical device company focused on diabetes and chronic care. The company produces the majority of infusion sets globally, which as part of an automated insulin delivery system help diabetics improve blood sugar control. Convatec's wound and other care businesses are stable growth markets that support an enviable top-line outlook, and new management has delivered operational improvements that should drive continued profit margin expansion not reflected in Convatec's valuation, trading at 13x EBITDA with a 2.3% dividend yield. Another new buy was Prysmian in Italy, a leading manufacturer of cables for energy, telecom, and other projects. Prysmian's high voltage cables for connecting renewables to the grid and upgrades of the grid itself are supply constrained. Meanwhile, relative valuation is attractive for secular growth potential.

During the quarter we sold Vonovia based on concerns about its fundamentals and strategy in a more challenging interest rate and regulatory backdrop. We also sold French payments processor Worldline, as expected catalysts—namely, rebounding revenue growth driven by the return of tourism in Europe—did not materialize. Finally, we sold Japanese services firm Recruit, which operates the online jobs site Indeed.com, as both short- and medium-term prospects for technology job growth seem very challenged.

Portfolio Review

A composite of Boston Common's All Country International portfolios returned +7.9% before fees, ahead of the MSCI ACWIxUS Index ("the Index"). Stock selection in Consumer Discretionary, Technology, and Staples was the primary driver of outperformance. Within Technology, our largest holding, Taiwan Semiconductor (TSM), continued with solid results. German semiconductor manufacturer Infineon surged with robust demand for its chips used in autos, especially electric vehicles (EVs), and software developer SAP returned 20%+. Within Discretionary, Japanese media & gaming giant Sony performed well, as did Chinese EV leader BYD, while UK

Performance



	QTD	YTD	1Yr	3Yr	5Yr	7Yr	10Yr	Since Inception*
Gross	7.9%	7.9%	-3.8%	11.2%	3.6%	7.0%	5.2%	4.9%
Net	7.9%	7.9%	-4.2%	10.5%	2.9%	6.2%	4.4%	4.2%
MSCI ACWIxUS	6.9%	6.9%	-5.1%	11.8%	2.5%	5.9%	4.2%	3.7%

Annual Returns

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Gross	7.9%	-20.1%	0.3%	26.3%	25.4%	-12.3%	31.5%	1.0%	-4.7%	-1.8%
Net	7.9%	-20.5%	-0.4%	25.4%	24.5%	-13.0%	30.5%	0.1%	-5.4%	-2.5%
MSCI ACWIxUS	6.9%	-16.0%	7.8%	10.7%	21.5%	-14.2%	27.2%	4.5%	-5.7%	-3.9%

Portfolio Characteristics

	Boston Common	MSCI ACWIxUS
# Holdings	61	2,260
Valuation		
Price/EPS (NTM)	14.4	13.3
Enterprise Value/EBITDA (NTM)	9.3	8.7
Price/Book	2.1	1.8
Price/Sales	1.7	1.4
Dividend Yield	2.6%	2.9%
Growth		
3yr EPS Consensus Growth	6.8%	1.8%
3yr Sales Growth	5.1%	2.8%
Quality		
Beta**	1.05	1.00
LT Debt to Cap	26.3%	27.4%
Net Debt to EBITDA	0.9	1.3
Return on Equity	11.6%	13.0%
Earnings Variability***	23.7%	28.2%
Free Cash Flow Yield	9.2%	5.8%

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, 2010 **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 Review (continued)

residential developer Barratt recovered. Dutch grocery chain Ahold delivered sound financial results thanks to its ability to pass on rising food prices, helping the Staples sector. Additional key contributors included Deutsche Telekom, French energy management industrial Schneider, Danish insulin leader Novo Nordisk, and Japanese heating and ventilation company Daikin. On a regional basis, Emerging Markets had the biggest outperformance, driven by TSM, BYD, and BDO Unibank in the Philippines.

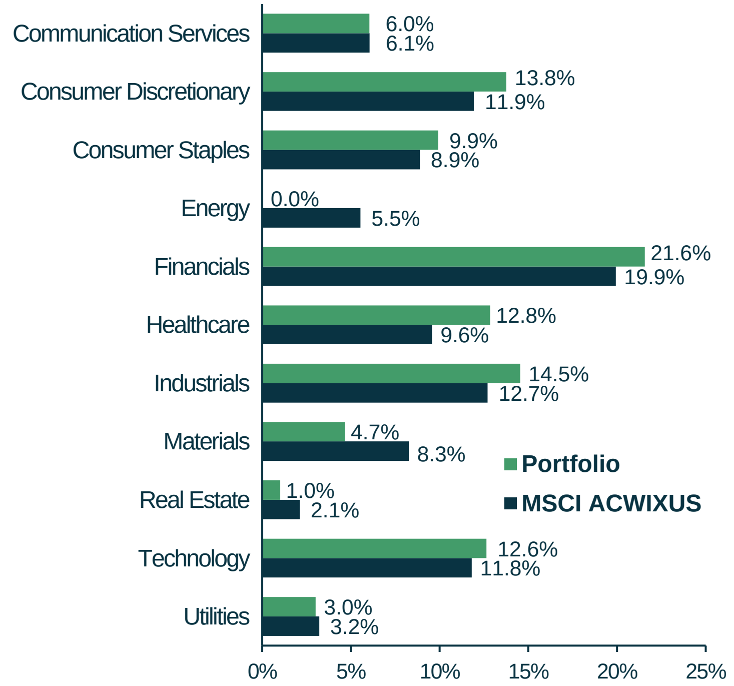
Stock selection in Healthcare was the largest detractor from performance. Swiss pharma Roche and German BioNTech provided disappointing guidance partially driven by lower Covid health spending. Japanese drug company Eisai fell on uncertainty over insurance coverage for its new Alzheimer's therapy. Industrials also detracted modestly, as Japanese firm Recruit, which operates the Indeed platform, had poor results. Europe ex. UK was the major geographic detractor; Danish wind utility Orsted and Dutch bank ING also lagged. Emerging Market banks, HDFC in India and Kasikornbank in Thailand, were weak along with Chinese insurance firm Ping An in the wake of Western banking turmoil.

Outlook & Positioning

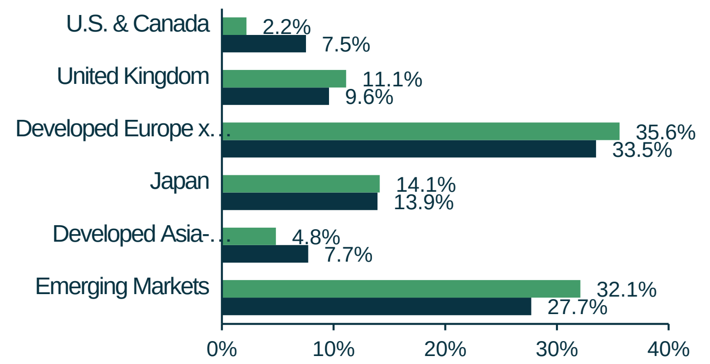
Global growth expectations have improved but remain modest and subject to volatility. Recent banking turmoil added to headwinds from inflation, interest rates, and geopolitical risks that leave the probability of recession high. However, European monetary policy should end its tightening cycle soon, while Japan continues to stand out with its exceptionally loose conditions. Emergency government spending for the pandemic is receding, but fiscal support for net-zero initiatives should foster a dramatic expansion in green technology investment, projected in the hundreds of billions to trillions of dollars, over the coming years.

Given uncertain cyclical prospects and valuations in line with history, our portfolios are overweight defensive sectors, especially Healthcare and Consumer Staples, and underweight Energy and Materials. We have more exposure to Financials than the Index, but we emphasize insurance and Asia-Pacific and are underweight European banks. Our overweight of the Industrials sector reflects our conviction in long-term growth of electrification, renewable power, and energy efficient equipment like heat pumps. In all sectors, we favor high-quality companies characterized by leading ESG practices, strong balance sheets, and an appealing balance of earnings prospects and valuation.

Sector Allocation



Regional Allocation



Top 10 Equity Holdings

Name	% Weight	Sector Name
TAIWAN SEMICONDUCTOR	3.2%	Technology
DEUTSCHE TELEKOM	3.0%	Comm. Services
SAP SE	2.8%	Technology
AXA	2.7%	Financials
ROCHE HLDGS	2.7%	Healthcare
UNILEVER	2.6%	Consumer Staples
OVERSEA-CHINESE BK	2.6%	Financials
NOVO NORDISK A/S	2.6%	Healthcare
SCHNEIDER ELECTRIC	2.5%	Industrials
HDFC BANK LTD	2.4%	Financials
Total	**27.1%**	