Strategy Overview

Second Quarter, 2023

All Country International Equity Strategy

Boston Common Asset Management

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. Strategy vehicle options include Separate Account, Commingled Fund, Model/ADR, Mutual Fund[1]

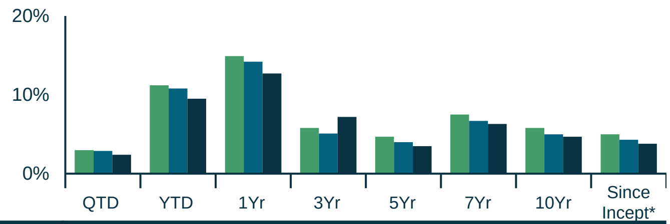
Portfolio Activity

Among our transactions this quarter, we purchased French industrial Rexel, a leading distributor of electrical equipment and cables. The stock trades at a low valuation, less than 6x EBITDA, but has strong fundamental prospects driven by electrification in Europe and the US.

German reinsurer Hannover Re is another new position. In our view, the company has been appropriately underwriting climate change risks, has demonstrated high- quality management, and is positioned to benefit from an attractive pricing cycle.

During the quarter, we sold French automotive supplier Valeo driven by ongoing concerns around the viability of its core auto parts supply business amidst the accelerating transition to EVs.

Performance



	QTD	YTD	1Yr	3Yr	5Yr	7Yr	10Yr	Since Incept*
Gross	3.0%	11.2%	14.9%	5.8%	4.7%	7.5%	5.8%	5.0%
Net	2.9%	10.8%	14.2%	5.1%	4.0%	6.7%	5.0%	4.3%
MSCI ACWIxUS	2.4%	9.5%	12.7%	7.2%	3.5%	6.3%	4.7%	3.8%

Annual Returns

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Gross	11.2%	-20.1%	0.3%	26.3%	25.4%	-12.3%	31.5%	1.0%	-4.7%	-1.8%
Net	10.8%	-20.5%	-0.4%	25.4%	24.5%	-13.0%	30.5%	0.1%	-5.4%	-2.5%
MSCI ACWIxUS	9.5%	-16.0%	7.8%	10.7%	21.5%	-14.2%	27.2%	4.5%	-5.7%	-3.9%

Portfolio Review

A composite of Boston Common's International portfolios returned +3.0% before fees, slightly outperforming the MSCI ACWIxUS Index ("the Index"). Stock selection in Healthcare and Technology was the primary driver of outperformance. Within Healthcare, UK pet pharmaceutical supplier Dechra, our best performer, received an acquisition offer at a substantial premium. In Japan, Eisai rallied on rising confidence in the approval and coverage of its Alzheimer's Disease drug Leqembi. Within Technology, semiconductor companies SK Hynix and Taiwan Semi rallied on improving supply-demand balance and growth potential from Generative AI, which also helped German software developer SAP. Additional key contributors included ING bank in Holland and emerging market banks, Rakyat in Indonesia, and Itau in Brazil, as well as Industrials, Daikin in Japan, and Schneider Electric in France. On a regional basis, Emerging Markets had the biggest outperformance, driven mostly by the above-mentioned names within Technology & Financials.

Portfolio Characteristics

	Boston Common	MSCI ACWIxUS
# Holdings	63	2,307
Valuation		
Price/EPS (NTM)	14.3	13.5
Enterprise Value/EBITDA (NTM)	9.2	8.3
Price/Book	2.1	1.9
Price/Sales	1.7	1.4
Dividend Yield	2.6%	3.0%
Growth		
3yr EPS Consensus Growth	-7.4%[1]	1.3%
3yr Sales Growth	4.2%	2.1%
Quality		
Beta**	N/A	1.00
LT Debt to Cap	28.1%	27.7%
Net Debt to EBITDA	1.1	1.2
Return on Equity	13.9%	13.4%
Earnings Variability***	24.0%	28.2%
Free Cash Flow Yield	8.2%	5.7%

[1]The 3-year EPS growth metric was significantly impacted by one holding, BioNTech. Despite a 0.8% portfolio weight, excluding this one company would bring the portfolio's 3-year EPS growth to +7.3%.

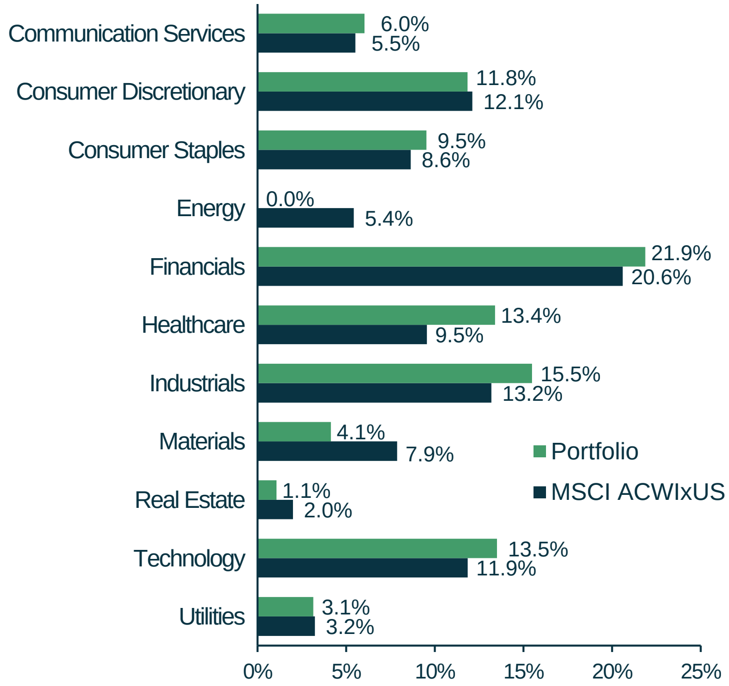
Source: APX Advent Portfolio Exchange. Past performance does not guarantee future results. All investments involve risk, including the risk of losing principal

*Since Inception: December 31, 2010 **The Beta calculation has been omitted because there are less than five years of performance data available for the 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)

Stock selection in Consumer Discretionary and Industrials was the largest detractor from performance. Weakness in China weighed on ecommerce company Alibaba, while online travel operator Trip.com lagged on far slower-than-expected international travel revival out of China. Environmental solutions companies Kurita Water, Vestas Wind, and Spirax-Sarco declined on downgraded expectations. Our stock selection in the strong Japanese market was the key regional detractor. All three of our Materials holdings, Croda in the UK, LG Chem in Korea, and SQM in Chile, were laggards, though our large underweight to this underperforming sector limited the drag. Other key detractors were defensive holdings: Deutsche Telekom, BioNTech, and Essity.

Sector Allocation

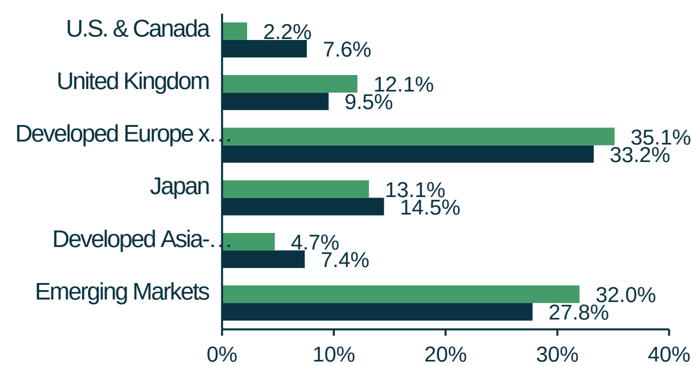


Outlook and Positioning

Declining inflation rates should be a prelude to easier monetary policy, an important positive factor for the markets. However, this past year's rapid and steep rise in interest rates will likely be an economic headwind well after the approaching inflection point in central bank policies. The lagged effects of rising costs of living should pressure consumer spending, assuming labor markets soften. Industrial activity has been weaker than the service economy but should benefit from long-term demand driven by the green transition. China's recovery has undershot expectations, driven by property weakness and restrained policy stimulus, while rising trade tensions present risks and opportunities as global supply chains reconfigure.

To account for macroeconomic and geopolitical risks, our portfolios are overweight inexpensive stable stocks, especially in Healthcare and Staples. We balance those positions with more exposure to Industrials, with particular emphasis on renewable energy, electrification, and resource efficiency. We remain overweight Financials, key beneficiaries of higher rates, though our holdings skew towards emerging markets. In all sectors, we seek high ESG and financial quality as well as an attractive balance between growth and valuation.

Regional Allocation



Top 10 Equity Holdings

Names	% Weight	Sector Name
TAIWAN SEMICONDUCTOR MFG LTD	3.4%	Technology
SAP SE	2.9%	Technology
DEUTSCHE TELEKOM	2.9%	Communication Services
ROCHE HLDGS	2.8%	Healthcare
SCHNEIDER ELECTRIC	2.6%	Industrials
UNILEVER	2.6%	Consumer Staples
OVERSEA-CHINESE BK	2.5%	Financials
BK RAKYAT	2.3%	Financials
CANADIAN PAC RY LTD	2.2%	Industrials
AXA	2.2%	Financials
Total	**26.4%**	