

Strategy Overview

Second Quarter, 2023

Catholic International Equity



Boston Common's International Catholic Equity strategy 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 Fund¹

Portfolio Activity

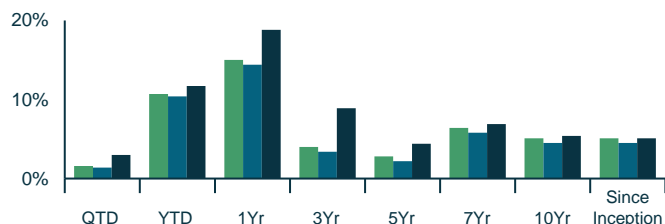
Among our transactions this quarter, we purchased Dutch specialty ingredients company DSM-Firmenich. The company is a global leader in nutrition, flavors, and fragrances with strong sustainability product offerings, relatively low valuation, and scope for profit margin improvement after its transformational merger. We also bought 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. Lastly, we bought Cellnex, the largest European tower company focused on organic growth and deleveraging.

During the quarter we sold Japanese Human Resources technology company Recruit, since we expect it will face growing headwinds from cooling labor markets. We also sold French automotive supplier Valeo, due to ongoing concerns around the viability of its core auto parts supply business amidst the accelerating transition to EVs.

Portfolio Review

The Boston Common Catholic International Equity strategy returned +1.6% before fees, lagging the MSCI EAFE Index ("the Index"). Stock selection in the Healthcare sector was the largest positive contributor. UK pet pharmaceutical supplier Dechra, our best performer, received an acquisition offer at a substantial premium. Swiss eye care specialist Alcon and Japanese cardiac equipment manufacturer Terumo Corp both posted strong results, driving returns within the medical device space. Utilities stock selection was also strong. Danish wind farm developer Orsted's renewed strategic plan helped it rebound from a weak first quarter. UK power producer and grid operator SSE also outperformed. Real Estate and Asia-Pacific were also positive contributors thanks to Australian property company Mirvac. Financial holdings ING, Orix, and Bank Rakyat were among our top performers. Industrial holdings Daikin, Schneider, and software company SAP were additional key contributors.

Performance



Gross	1.6%	10.7%	15.0%	4.0%	2.8%	6.4%	5.1%	5.1%
Net	1.4%	10.4%	14.4%	3.4%	2.2%	5.8%	4.5%	4.5%
MSCI EAFE	3.0%	11.7%	18.8%	8.9%	4.4%	6.9%	5.4%	5.1%

Annual Returns

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Gross	10.7%	-23.8%	5.0%	19.1%	25.1%	-13.0%	29.8%	0.8%	-0.8%	-5.2%
Net	10.4%	-24.2%	4.3%	18.3%	24.4%	-13.6%	29.0%	0.1%	-1.4%	-5.8%
MSCI EAFE	11.7%	-14.5%	11.3%	7.8%	22.0%	-13.8%	25.0%	1.0%	-0.8%	-4.9%

Portfolio Characteristics

	Boston Common	MSCI EAFE
# Holdings	62	798

Valuation

Price/EPS (NTM)	15.6	14.2
Enterprise Value/EBITDA (NTM)	9.7	9.1
Price/Book	2.2	1.9
Price/Sales	1.6	1.4
Dividend Yield	2.4%	3.0%

Growth

3yr EPS Consensus Growth	6.2%	2.5%
3yr Sales Growth	3.6%	1.2%

Quality

Beta**	1.00	1.00
LT Debt to Cap	28.8%	30.4%
Net Debt to EBITDA	1.4	1.4
Return on Equity	13.1%	12.5%
Earnings Variability***	18.7%	25.7%
Free Cash Flow Yield	5.6%	6.1%

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

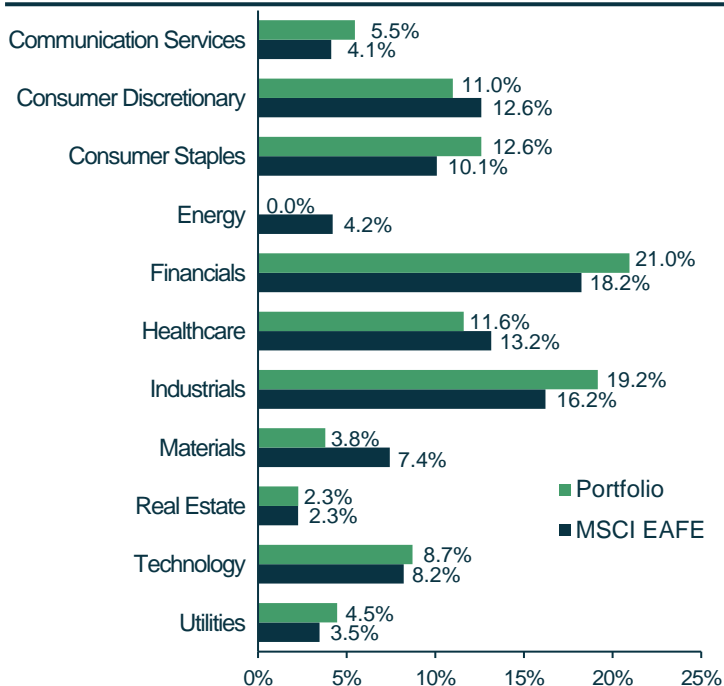
*Since Inception: March 31, 2010 **The Beta calculation is based on the trailing five-year performance of a representative account within a portfolio's strategy, ***Variability is calculated as the mean absolute difference between actual earnings per share and a five-year historical growth trendline, expressed as a percentage of trendline

Stock selection in the Consumer Discretionary sector was the largest detractor from performance despite a strong return from Spanish retailer Inditex. Weakness in China weighed on ecommerce company Alibaba and British luxury apparel company Burberry. Industrials also weighed on relative returns. Environmental solutions companies Kurita Water, Vestas Wind, and Spirax-Sarco declined on downgraded expectations. In Technology, our semiconductor holding Infineon did not benefit from the exuberance over artificial intelligence that boosted several Index constituents. Our underweight and stock selection in the strong Japanese market was the key regional detractor. European holdings in stable businesses were additional detractors: Deutsche Telekom, ingredients companies Croda and DSM, and bioprocessing equipment supplier Sartorius.

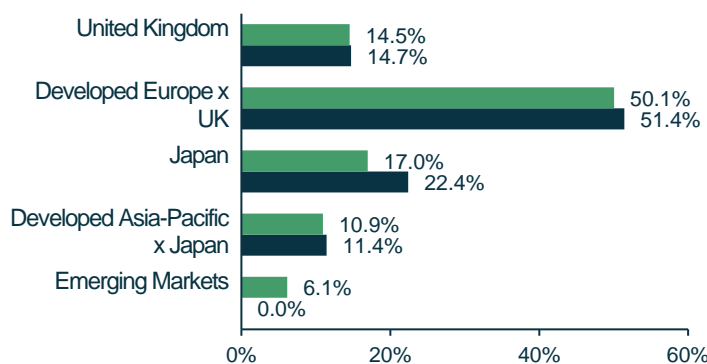
Outlook and Positioning

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 stocks with low-earnings variability, especially in Consumer Staples, Communication Services, and Utilities. 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 insurance and Asia Pacific. In all sectors we seek high ESG and financial quality as well as an attractive balance between growth and valuation.

Sector Allocation



Regional Allocation



Top 10 Equity Holdings

Name	% Weight	Sector Name
SCHNEIDER ELECTRIC	3.4%	Industrials
DEUTSCHE TELEKOM	3.2%	Communication Services
UNILEVER	3.0%	Consumer Staples
KON AHOLD DELHAIZE	2.9%	Consumer Staples
ING GROEP N.V.	2.8%	Financials
INFINEON TECHNOLOG	2.8%	Technology
DAIKIN INDUSTRIES	2.8%	Industrials
SSE	2.8%	Utilities
OVERSEA-CHINESE BK	2.7%	Financials
L'OREAL	2.5%	Consumer Staples
Total	28.8%	

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.