Strategy Overview

Second Quarter, 2023

Boston Common Asset Management

US Large-Cap Core Equity Strategy

Boston Common's US Large Cap Core strategy invests in a diversified portfolio 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

Portfolio Activity

This quarter, we made several changes to sector positioning. We increased our Technology exposure, adding to semiconductors (Applied Materials, Broadcom, Enphase) and to software (Adobe and Intuit) but remain slightly underweight on valuation concerns. In Financials, we eliminated our sector overweight with the sale of PNC Financial, watchful as risks in the banking system evolve. We also consolidated our holdings in the payments space. Finally, we are nearly equal weight with Consumer Staples, having exited retailer Target and seasonings manufacturer McCormick.

We remain overweight in Healthcare given compelling growth dynamics supported by demographic and technological trends but took profits in several biopharma holdings. We initiated a position in Eli Lilly, a global pharma company with leading exposure to areas of exciting therapeutic growth and unmet need: obesity and Alzheimer's. Potential blockbuster sales should drive strong earnings growth, supporting current valuation. Lilly has an above average product quality record but is a perennial laggard in addressing access to healthcare, an area targeted for engagement. We also purchased Hologic, a diagnostic company focused on women's health.

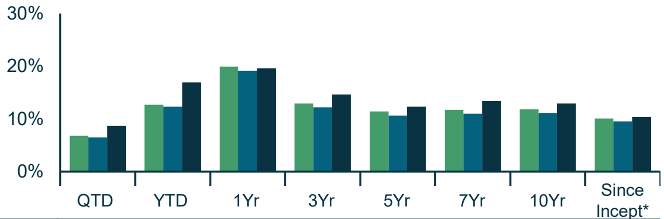
In Consumer Discretionary, we bought Darden Restaurants, a holding company for several full-service restaurant formats beyond the familiar Olive Garden. Darden has economies of scale that keep its offerings competitive, gleaning customer information to drive traffic within and among different restaurant banners. Darden operates in a challenging labor environment and remains wedded to its tipped wage policy, despite pushback from fair wage advocates. However, the company has shown leadership relative to peers by increasing its minimum wage for all employees and offering career development and advancement opportunities.

Portfolio Review

Boston Common's Tax-Exempt US Large-Cap Core Equity composite rose +6.8%, before fees, in the second quarter. This strong absolute result lagged the S&P 500 Index ("the Index"), which continues to be driven by a few mega-cap stocks—the S&P 500 equal-weight Index returned just +4.0%. Nearly half of the relative underperformance can be attributed to stock selection in Consumer Discretionary, as Tesla and Amazon, which we do not own, performed strongly.

Financials and Consumer Staples were major detractors. In the former, turmoil continued to impact regional banks, and we exited our position in PNC Financial. In Staples, inventory

Performance



	QTD	YTD	1Yr	3Yr	5Yr	7Yr	10Yr	Since Incept*
Gross	6.8%	12.7%	19.9%	12.9%	11.4%	11.7%	11.8%	10.1%
Net	6.5%	12.3%	19.1%	12.2%	10.6%	11.0%	11.1%	9.5%
S&P 500	8.7%	16.9%	19.6%	14.6%	12.3%	13.4%	12.9%	10.4%

Annual Returns

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Gross	12.7%	-17.3%	25.7%	20.3%	29.9%	-7.2%	22.1%	9.0%	3.6%	9.8%
Net	12.3%	-17.8%	24.9%	19.5%	29.1%	-7.8%	21.3%	8.3%	3.0%	9.1%
S&P 500	16.9%	-18.1%	28.7%	18.4%	31.5%	-4.4%	21.8%	12.0%	1.4%	13.7%

Portfolio Characteristics

	Boston Common	S&P 500
# Holdings	47	503
Valuation		
Price/EPS (NTM)	21.5	19.8
Enterprise Value/EBITDA (NTM)	15.1	14.1
Price/Book	5.4	4.4
Price/Sales	3.5	3.0
Dividend Yield	1.2%	1.4%
Growth		
3yr EPS Consensus Growth	7.0%	4.7%
3yr Sales Growth	4.6%	4.0%
Quality		
Beta**	0.96	1.00
LT Debt to Cap	40.6%	41.5%
Net Debt to EBITDA	0.8	1.0
Return on Equity	20.2%	17.4%
Earnings Variability***	18.8%	21.3%
Free Cash Flow Yield	4.0%	3.9%

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, 2002 **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)

concerns impacted Estee Lauder and Target. Our overweight to the lagging Healthcare sector was an additional headwind. Mixed results in most biopharma holdings were further hindered by weakness in Life Science companies Agilent and Danaher. With the market's focus on growth, several defensive holdings held back returns.

The promise of Generative Artificial Intelligence helped spur strong returns within Technology. Our underweight detracted from performance, though most top-performing holdings were Tech related, including mainstays Microsoft and Apple, semiconductor companies Broadcom and Applied Materials, and digital publisher Adobe. Within Communication Services, Alphabet and Netflix were also strong contributors. Results were mixed within Industrials and Materials, but Ecolab, a leader in hygiene, was a top contributor. Finally, relative performance was helped by our continued avoidance of the fossil fuel sector.

Outlook and Positioning

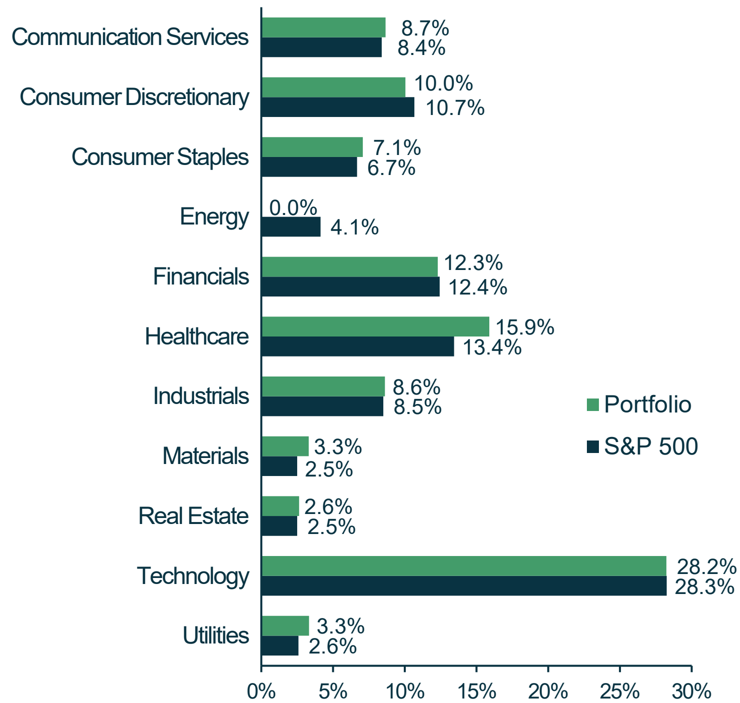
The US economy has remained resilient despite supply chain challenges, regional banking troubles, geopolitical tensions, and Fed tightening. First quarter GDP was revised up to a 2% annualized rate. Inflation has come down from last summer's high of over 9%, though Core CPI, which excludes volatile food and energy, remains elevated at 5.3%. The Fed expects to keep interest rates high, especially after moderating its planned balance sheet reduction in response to March's regional banking crisis.

Nominal GDP growth remains high, and companies have been able to pass through the cost increases. With unemployment below 4%, wages have increased but lag inflation. We expect the healthy disposable income and strong savings rate to moderate, and the outlook still points to a slowing economy and decelerating earnings growth.

We expect crosscurrents in the economy will result in an asynchronous slowdown across different sectors, creating opportunity for active managers. Pandemic-driven stimulus and post-pandemic reopening are sustaining services demand. Fiscal policy has supported market trends towards decarbonization, reducing supply chain vulnerability, and enhancing infrastructure, thereby enabling pockets of secular growth.

Our portfolio retains a mix of conventionally defensive names and beneficiaries of recession-agnostic growth. In every sector, we seek high-quality operating models in expanding end markets, improving profitability, sound capital allocation, and management teams that intentionally integrate ESG opportunities and risks into their long-term strategic planning.

Sector Allocation



Top 10 Equity Holdings

Name	% Weight	Sector Name
MICROSOFT CORP	8.4%	Technology
APPLE INC	8.2%	Technology
ALPHABET INC	4.8%	Communication Services
MERCK & CO INC	4.2%	Healthcare
VISA INC COM	4.2%	Financials
TJX COS INC NEW	3.1%	Consumer Discretionary
ADOBE SYSTEMS INC	2.9%	Technology
BROADCOM INC	2.7%	Technology
COSTCO WHSL CORP	2.5%	Consumer Staples
INTUIT	2.4%	Technology
Total	**43.3%**	

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 S&P 500 Index (the "Index") is a broad market index of the 500 largest U.S. large cap 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.