

Strategy Overview

Fourth Quarter, 2023

Global Impact Strategy



Boston Common's Global Impact Equity strategy seeks long term capital appreciation by investing in impact investment themes such as Inclusive Finance, Sustainable Transport, Eco Efficiency, and Renewable Energy. The result is a high-conviction portfolio of high-impact companies whose products and services can facilitate the transition to a just and sustainable world. Strategy vehicle options include Separate Account, Commingled Fund, Model/ADR, and Mutual Fund¹.

¹Subadvised by Boston Common

Portfolio Activity

We bought US-based Akamai Technologies, a cybersecurity software company within our Education, Communication, and Empowerment impact theme. Akamai provides exposure to quality security software and the secular trends supporting it. The company has ambitious net-zero and environmental targets. Akamai is increasing the renewable energy mix in its data centers and strengthening its privacy policies. We also bought South Korea's LG Energy Solutions, whose EV batteries enable less carbon-intensive transportation. The company is rapidly expanding its US capacity, with market share expected to double by 2025.

We bought Charles Schwab, which offers US retail investors a suite of financial products—including a wide range of ESG investment options—creating affordable access to finance and financial planning solutions. Schwab's low-cost ETFs and commission-free trading are driving down the cost of investing, and the company educates the retail investment community on navigating the markets while allowing people with small budgets to gain equity market exposure through fractional share ownership. Schwab's significant, unrealized losses on US Treasuries are weighing on shares, but this effect should gradually subside.

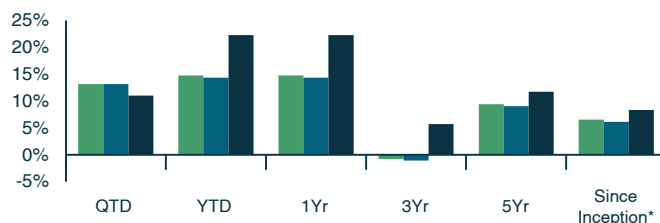
We added UK-listed RELX, one of the largest academic and business data providers with substantial proprietary assets, improving growth and expanding margins. Its leading information-based analytic systems measure risk in various verticals, such as automotive insurance and mobile phone fraud detection. The company's deep proprietary datasets and AI capabilities should allow accelerating topline growth. Addressing our Education and Communication Empowerment theme, over half of RELX's revenue comes from knowledge-enabling activities.

We sold Croda, Novozymes, and Sonova to fund these purchases and reduced positions in Kerry Group, DSM Firmenich, Adobe, Bank Rakyat, and Orsted. While Novozymes is a high-rated ESG impact company, its valuation vs. peers is high as it faces a cumbersome merger with Danish peer Christian Hansen. Sonova, a leader in hearing care solutions, continues to face earnings pressure.

Portfolio Review

The Global Impact strategy rose +13.1% before fees, more than fully reversing down performance in October. Long-term interest rates began falling amidst resilient economic activity in

Performance



	QTD	YTD	1Yr	3Yr	5Yr	Since Inception*
Gross	13.1%	14.7%	14.7%	-0.8%	9.4%	6.5%
Net	13.1%	14.3%	14.3%	-1.1%	9.0%	6.1%
MSCI ACWI	11.0%	22.2%	22.2%	5.7%	11.7%	8.3%

Annual Returns

	2023	2022	2021	2020	2019	2018
Gross	14.7%	-24.6%	12.9%	25.8%	27.8%	-11.3%
Net	14.3%	-24.7%	12.4%	25.0%	27.1%	-11.4%
MSCI ACWI	22.2%	-18.4%	18.5%	16.3%	26.6%	-12.8%

Portfolio Characteristics

	Boston Common	MSCI ACWI
# Holdings	59	2,921

Valuation

Price/EPS (NTM)	18.3	17.2
Enterprise Value/EBITDA (NTM)	12.0	11.7
Price/Book	3.1	2.9
Price/Sales	2.2	2.1
Dividend Yield	1.5%	1.9%

Growth

3yr EPS Consensus Growth	5.8%	1.4%
3yr Sales Growth	5.0%	2.7%

Quality

Beta**	N/A	1.00
LT Debt to Cap	32.0%	34.7%
Net Debt to EBITDA	0.5	1.0
Return on Equity	14.1%	15.8%
Earnings Variability***	23.9%	24.9%
Free Cash Flow Yield	5.0%	4.3%

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

*Since Inception: September 30, 2018 **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)

November and cyclical and interest-rate-sensitive stocks rallied. Environmental solutions holdings rebounded from depressed levels. US home building stocks TopBuild, KB Home, and AZEK stood out; Danish wind turbine producer Vestas and US climate solution financier Hannon Armstrong were also strong. Stock selection in Healthcare and Industrials contributed to performance. Analytical toolmaker and life sciences company Agilent, as well as Australian plasma products and vaccine supplier CSL, performed well. Industrial infrastructure beneficiary Xylem and French power management company Schneider rebounded.

Stock selection was positive in every region except for Emerging Markets, where Chinese stocks, including EV producer BYD and Ping An Insurance, lagged. Stock selection in the Financials sector hurt performance, as Japanese diversified financial service provider Orix and payments processor PayPal trailed the overall sector.

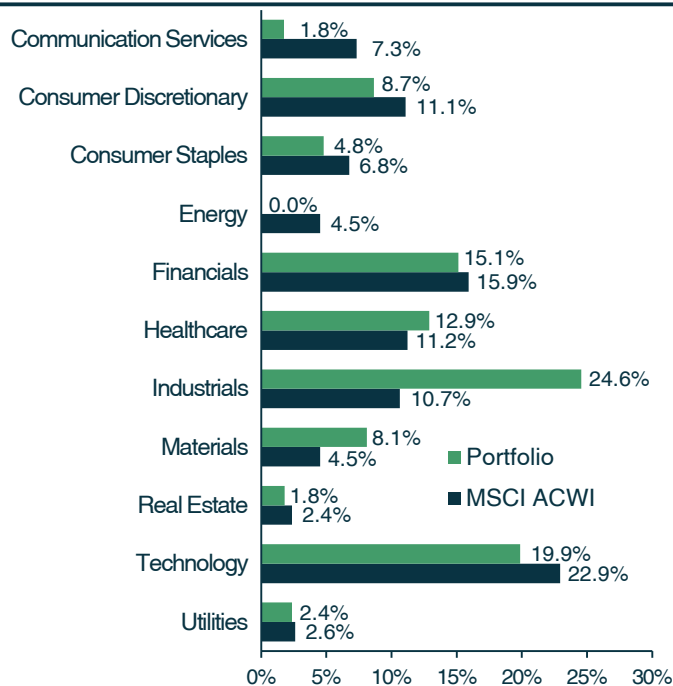
Outlook and Positioning

We expect global economic growth to be moderately positive in 2024. A soft landing is the most plausible scenario, and we anticipate the Federal Reserve will ease monetary policy around mid-year, earlier than the ECB. With inflationary pressures moderating, the most significant drops in inflation rates and long-term bond yields are behind us. We expect the market to broaden in 2024.

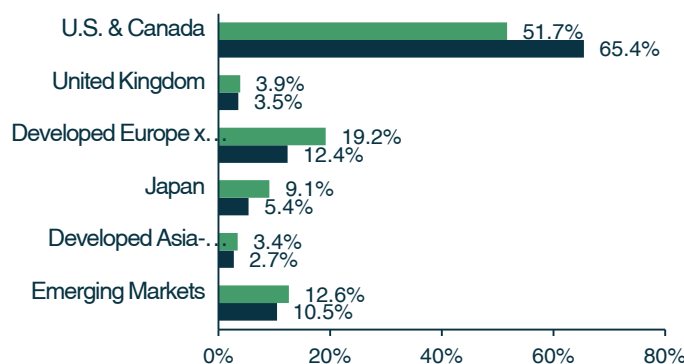
Developed countries should benefit from strong labor markets, low unemployment, easier monetary policy, and higher consumer confidence with less dependence on Russian fossil fuels. Japan is focusing on corporate governance and profitability while inflation normalizes. Policy uncertainty and real estate crisis fears hit the Chinese and Hong Kong markets. In contrast, emerging Asia growth leaders Indonesia and India are seeing support from capital flows, pro-market reforms, a manufacturing renaissance, and expected policy continuity in upcoming elections.

The headlines from COP28 in Dubai reflected the tension between the need for significant changes vs. the size of proposed and funded actions. Still, we believe the outcomes will create momentum for several environmental solutions holdings. Long-term prospects remain robust, as governments and private entities worldwide will spend trillions of dollars over the next decade to transform their economies. Our strategy includes enablers of electrification and renewable energy and sustainable building product providers; it also focuses on innovative biotechnology and medical device technologies, energy-efficient machinery manufacturing, and R&D-focused food ingredient companies.

Sector Allocation



Regional Allocation



Top 10 Equity Holdings

Name	% Weight	Sector Name
INTUIT	3.2%	Technology
SCHNEIDER ELECTRIC	3.0%	Industrials
SALESFORCE INC	2.9%	Technology
BK RAKYAT	2.7%	Financials
XYLEM INC	2.6%	Industrials
ORIX CORP	2.4%	Financials
ADOBE INC	2.3%	Technology
WABTEC	2.3%	Industrials
INFINEON TECHNOLOG	2.3%	Technology
TOPBUILD CORP	2.2%	Consumer Discretionary
Total	25.8%	

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 the 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 the 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 and political and economic risks. The MSCI (Net) ACWI Index is a free-float adjusted, market capitalization-weighted index of the largest publicly traded companies listed on the exchanges of the developed and emerging market countries worldwide. The index is unmanaged and does not incur management fees, transaction costs, or other expenses associated with separately managed accounts. Our composite's composition varies from the Index's because of differences in sector and industry exposure, risk, volatility, and holdings. Boston Common claims compliance with Global Investment Performance Standards (GIPS®). For a complete listing of Boston Common's composites and to request a GIPS® Compliant presentation, please call the department at 617-720-5557.