

Strategy Overview

Fourth Quarter, 2023

International Equity Strategy



Boston Common's International 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, and Mutual Fund¹.

¹Subadvised by Boston Common

Portfolio Activity

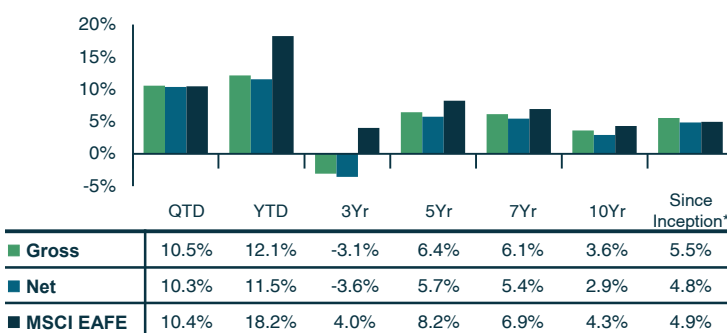
Among our transactions this quarter, we purchased Japanese electronic component supplier Murata Manufacturing. The company is the global leader in ceramic capacitors and should benefit from healthy demand for smartphones and autos and long-term support from industrial electrification. Also, in Japan, we bought Mitsubishi UFJ, one of the largest banks in the world based on assets. Improving corporate governance, normalizing monetary policy, and low valuation make the stock compelling. In Europe, we added two high-quality companies with dominant franchises. ASML has unparalleled positioning in leading-edge lithography, the most valuable stage in semiconductor production. RELX is one of the largest academic and business data providers with vital proprietary assets, improving growth, and expanding margins. Lastly, we purchased CSL—a high-quality Australian plasma products and vaccine supplier—at a relatively attractive valuation.

We sold BioNTech due to the weaker-than-expected Covid booster market and a lack of conviction in its near-term pipeline. Deteriorating operating results and a loss of confidence in management prompted us to sell Orsted; we reinvested part of the proceeds into Vestas. We also sold Shiseido based on lower conviction in restructuring and loss of market share in China.

Portfolio Review

A composite of Boston Common's International portfolios returned 10.5% before fees, in line with the MSCI EAFE Index ("the Index"). The Industrials sector was the most significant contributor to relative performance, as many of our environmental solutions providers rebounded from depressed levels. Danish wind turbine producer Vestas (our best-performing holding), Swedish compressor manufacturer Atlas Copco, and French power management company Schneider were strong. Our overweight of the Technology sector helped performance with robust returns from Japanese component supplier TDK and German semiconductor and software providers Infineon and SAP. The UK was our best-performing region, with home builder Barratt and utility SSE. French personal care leader L'Oreal, Swedish entrance system supplier ASSA ABLOY, and truck manufacturer Volvo were also among our top contributors.

Performance



Annual Returns

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Gross	12.1%	-22.3%	4.5%	19.6%	25.2%	-12.9%	27.5%	0.3%	-1.0%	-5.3%
Net	11.5%	-22.7%	3.9%	18.8%	24.4%	-13.5%	26.6%	-0.5%	-1.7%	-5.9%
MSCI EAFE	18.2%	-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	58	783

Valuation

Price/EPS (NTM)	14.8	14.3
Enterprise Value/EBITDA (NTM)	10.6	9.3
Price/Book	2.3	1.9
Price/Sales	1.8	1.5
Dividend Yield	2.8%	3.0%

Growth

3yr EPS Consensus Growth	9.0%	2.8%
3yr Sales Growth	3.1%	1.3%

Quality

Beta**	0.98	1.00
LT Debt to Cap	33.8%	31.7%
Net Debt to EBITDA	1.5	1.4
Return on Equity	14.1%	12.2%
Earnings Variability***	18.5%	26.2%
Free Cash Flow Yield	4.3%	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, 2004 **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)

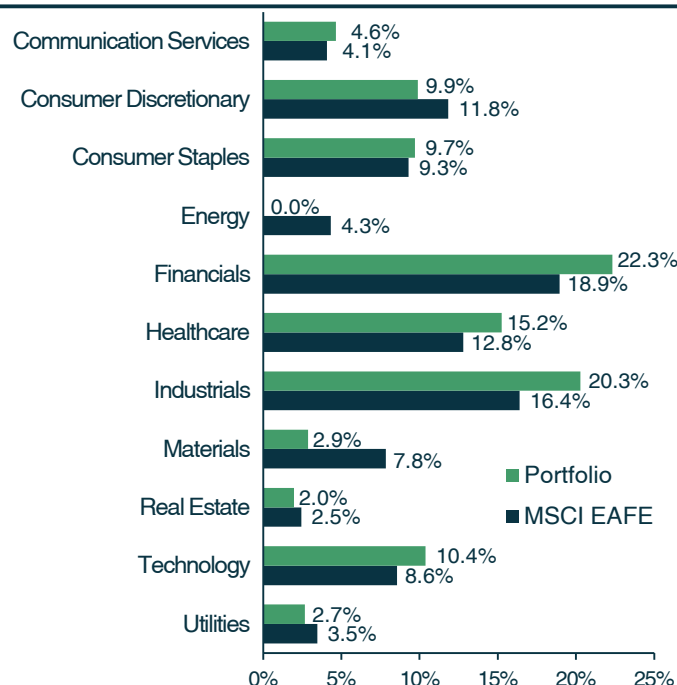
Our underweight and selection in the Materials sector was the largest detractor from performance. Our holdings in green chemicals (DSM-Firmenich and Croda) and electric battery production (LG Chem) delivered solid returns but lagged cement and mining stocks in the Index. Stock selection in the Financials sector also weighed on performance; Japanese diversified service provider Orix and Scandinavian insurer Sampo were flat. Our Consumer Staples stocks underperformed, as Japanese cosmetics company Shiseido was pressured by weak demand in China. European grocer and personal care holdings Ahold and Unilever also hurt performance. Asia-Pacific and Emerging Markets detracted from regional returns. China's weakness dragged down EV producer BYD and e-commerce platform Alibaba. Danish wind developer Orsted and pharmaceutical companies Eisai, Novartis, and AstraZeneca were also among our critical detractors.

Outlook and Positioning

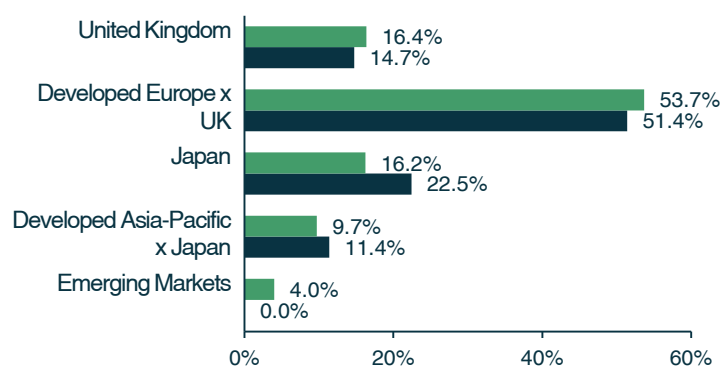
Europe is emerging from a period of recessionary conditions sparked by Russia's invasion of Ukraine, a related cost of living crisis, and rapid spikes in interest rates. In the future, Europe should benefit from easier monetary policy, higher consumer confidence, and less dependence on Russian fossil fuels. Japan may embark on a more constructive journey with increased attention to corporate governance and profitability and normalizing inflationary trends. We are mindful of risks from China's property market and policy uncertainty, but we believe the country has the resources to stimulate recovery, if necessary. Valuations in line with historical averages suggest relatively low expectations for growth and some discounting of geopolitical shocks in developed international markets.

Our portfolios reflect constructive cyclical expectations and conviction in the long-term benefits of leading environmental businesses and prudent ESG management. We are overweight the Industrial and Technology sectors, where we find compelling secular growth ideas in renewables, electrification, and resource efficiency. Low valuations, diverse geographic markets, and leverage to higher interest rates support our relatively large position in Financial Services, particularly insurance. We balance those exposures with an overweight in defensive areas: Healthcare, Consumer Staples, and Telecom. We have limited exposure to commodities, which could face lower demand from China's structural shift from property development to services and consumption and more significant environmental risks over time.

Sector Allocation



Regional Allocation



Top 10 Equity Holdings

Name	% Weight	Sector Name
DEUTSCHE TELEKOM	3.4%	Communication Services
OVERSEA-CHINESE BK	3.0%	Financials
SCHNEIDER ELECTRIC	3.0%	Industrials
ING GROEP N.V.	2.8%	Financials
ASTRAZENECA	2.7%	Healthcare
SSE	2.7%	Utilities
UNILEVER	2.6%	Consumer Staples
L'OREAL	2.5%	Consumer Staples
ROCHE HLDGS	2.3%	Healthcare
NOVO NORDISK A/S	2.3%	Healthcare
Total	27.3%	

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. 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.