Quarterly Profile

Second Quarter, 2026

Boston Common Asset Management

U.S. Large-Cap Core Equity Strategy

The U.S. Large-Cap Core Equity strategy is a high-conviction, diversified, and fully invested portfolio, grounded in rigorous fundamental research and sustainability analysis. Our approach emphasizes high-quality businesses, strong balance sheets, and durable earnings profiles. The strategy has a proven long-term track record of more than 20 years and a consistent objective of preserving capital in down markets and generating outperformance vs. the benchmark over a full cycle.

Firm Overview

Boston Common Asset Management (BCAM) is an active equity manager focused on delivering market-competitive, long-term returns across U.S., emerging, and developed international equity markets. The firm applies material risk analysis and sustainability considerations within its investment process to identify durable companies positioned to navigate an evolving global market environment. Through comprehensive strategies and customizable solutions, BCAM brings a disciplined approach to a range of client mandates. Headquartered in Boston, the firm managed $4.78 billion in assets as of June 30, 2026.

Investment Approach

BCAM's fundamentally driven approach focuses on identifying companies with strong business models, capable management teams, and durable growth prospects, supported by consistent valuation discipline. Portfolios are constructed to balance quality, risk, and diversification across sectors and regions. A collaborative process brings together portfolio managers, analysts, and sustainability specialists to develop differentiated views, while ongoing stewardship and direct company dialogue help reinforce conviction over time.

Portfolio Management Team

Kim Ryan, CFA
- 28 years experience
- With BCAM since 2023

Praveen Abichandani, CFA
- 34 years experience
- With BCAM since 2005

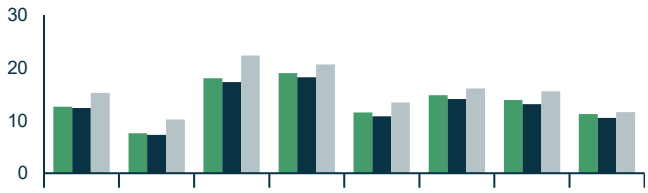
Matt Meade, CFA
- 15 years experience
- With BCAM since 2011

Supported by:
- Full team of fundamental research analysts.
- Seven-person stewardship + sustainability research team.

Opportunity

U.S. equities offer exposure to durable earnings growth across AI infrastructure, industrial automation, electrification, and financials. Although economic growth is resilient, geopolitical tensions, inflation uncertainty, shifting monetary policy, and uneven consumer spending reinforce the need for balance and selectivity. AI-related investment continues to support semiconductor and technology earnings, while infrastructure spending is creating opportunities among industrial companies. We balance these growth exposures with businesses exhibiting lower earnings variability and less dependence on the AI cycle, focusing on companies with financial strength, resilient demand, and valuations that do not fully reflect their earnings prospects.

Composite Performance (%)



	QTD	YTD	1Yr	3Yr	5Yr	7Yr	10Yr	Since Inception*
Gross	12.6	7.6	18.0	19.0	11.5	14.8	13.9	11.2
Net	12.4	7.3	17.3	18.2	10.8	14.1	13.1	10.5
S&P 500	15.2	10.2	22.3	20.6	13.4	16.1	15.5	11.6

Annual Returns (%)

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Gross	7.6	15.4	25.1	22.0	-17.3	25.7	20.3	29.9	-7.2	22.1
Net	7.3	14.8	24.3	21.2	-17.8	24.9	19.5	29.1	-7.8	21.3
S&P 500	10.2	17.9	25.0	26.3	-18.1	28.7	18.4	31.5	-4.4	21.8

Strategy Details

Benchmark	S&P 500
Inception Date	January 1, 2003
Strategy Assets	$753 Million†
Holdings Range	40-60
Tracking Error	2-4%
Annual Turnover	20-30%
Time Horizon	3-5 years
Vehicles	Separate Account, Mutual Fund

†Includes balanced assets

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

Portfolio Review

Boston Common's U.S. Large-Cap Core Equity strategy rose +12.6% this quarter, generating strong returns but lagging the Index. Stock picks in Financials and Healthcare improved relative return. Key Financials holdings like Bank of America, Fifth Third, Visa, and Morgan Stanley outperformed. Eli Lilly surged on strong results and guidance. Vertiv benefited from data center demand, while Cummins gained from backup power and truck engines. Unlike the first quarter, the lack of traditional Energy exposure helped our sector outperformance.

Technology holdings, including the cybersecurity platform Palo Alto Networks and the semiconductor capital equipment maker Applied Materials, were among our top performers in the quarter. However, the primary driver of relative underperformance was selection within the semiconductor and hardware subsectors. Communication Services was also a drag, as wireless carriers Verizon and T-Mobile and streaming entertainment provider Netflix declined, while Alphabet delivered strong returns, and the sector posted a positive return. Retail bellwethers Costco, TJX Companies, and AutoZone were also weak.

Portfolio Trades

Given the historic scale of investment in AI infrastructure, we have sought to increase the portfolio's exposure to key beneficiaries of this buildout while also expanding into areas of continued financial strength and sustainability leadership.

Among this quarter's transactions, we initiated a position in Advanced Micro Devices, a leading designer of high-performance logic chips. AMD's CEO has transformed the firm into a fabless second-source data center GPU provider for hyperscalers seeking an Nvidia alternative. AMD's traditional CPU segment, which had gained share from Intel, has also seen a major boost in demand from the rise of agentic AI, which requires more general-purpose computing power alongside GPUs in AI data centers.

We re-purchased Micron Technology, the leading U.S. producer of semiconductor memory chips. AI's massive memory requirements have transformed the historically cyclical commodity business into a consolidated, supply-constrained one: Micron's entire 2026 output of high-bandwidth memory, a specialized form of DRAM integral to AI model training, is already committed under multi-year contracts. Pricing for conventional memory and storage has risen sharply amid persistent industry-wide capacity shortages. We believe this structural tightness supports a multi-year period of elevated profitability.

Finally, we added Charles Schwab, the nation's largest retail brokerage platform. Schwab's scale advantage, with over $12 trillion in assets, supports low fees and account minimums while still delivering a compelling return on equity near 22%. The recent headwind from elevated borrowing costs has largely subsided, yet shares trade near two-decade valuation lows despite steady asset growth and improving capital returns.

We exited four positions: Danaher, given a delayed recovery in end markets outside bioprocessing; Procter & Gamble, as part of a rotation away from slower-growth defensives; Salesforce, amid potential AI-driven disruption; and Amgen, with a less compelling pipeline and modest governance concerns.

Portfolio Characteristics

	Portfolio	S&P 500
# Holdings	48	503
Valuation		
Price/EPS (NTM)	20.5	19.5
Enterprise Value/EBITDA (NTM)	15.0	13.0
Price/Book	6.5	5.3
Price/Sales	4.3	3.0
Dividend Yield	0.8%	0.9%
Growth		
3yr EPS Consensus Growth	15.8%	13.8%
3yr Sales Growth	8.2%	6.1%
Quality		
Beta**	0.95	1.00
LT Debt to Cap	30.3%	32.3%
Net Debt to EBITDA	0.5	0.7
Return on Equity	22.7%	19.9%
Earnings Variability***	17.1%	20.3%
Free Cash Flow Yield	3.0%	2.9%

Top 10 Equity Holdings

Name	% Weight	Sector Name
NVIDIA CORP.	7.3%	Technology
ALPHABET INC.	7.2%	Comm. Services
APPLE INC.	7.0%	Technology
BROADCOM INC	5.2%	Technology
MICROSOFT CORP.	5.1%	Technology
ELI LILLY & CO.	3.6%	Healthcare
VISA INC COM	3.4%	Financials
PALO ALTO NETWORKS INC	2.8%	Technology
BANK OF AMERICA CORP.	2.4%	Financials
MORGAN STANLEY	2.2%	Financials
Total	**46.2%**	

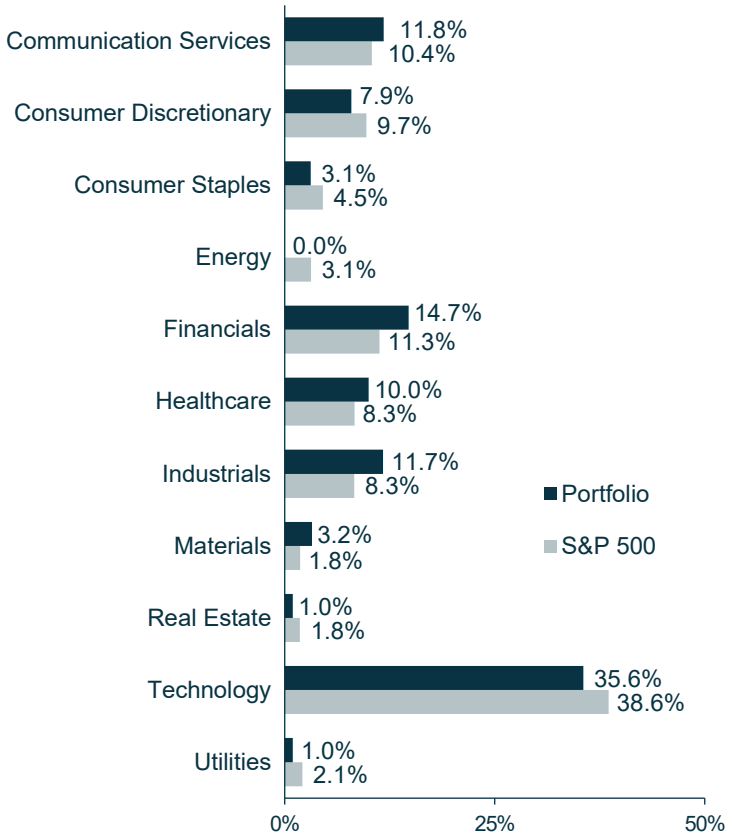
Source: Ridgeline. Past performance does not guarantee future results. All investments involve risk, including the risk of losing principal. The information in this document should not be considered a recommendation to buy or sell any security. There is no assurance that any securities discussed in this report will remain in an account's portfolio at the time you receive this document. The securities discussed do not represent an account's entire portfolio and may represent only a small portion of an account's holdings. It should not be assumed that any securities transactions we discuss were or will prove to be profitable. The S&P 500 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. The composition of this portfolio is different from the composition of the Index because of differences in sector and industry exposure, risk, volatility and holdings. The composition of our composite is different from the composition of indices because of differences in sector and industry exposure, risk, volatility and holdings.

Outlook & Positioning

Economic growth remains above 2%, supported by investment and strong consumer wealth effects. Geopolitical tensions and shifting supply conditions continue to create uncertainty for energy prices and inflation. We remain focused on the implications for growth, margins, and consumer demand while seeking resilient businesses and selective opportunities across the market. Long rates have stabilized, while short rates edge higher, reflecting the new Fed Chair's intensified focus on price stability. A reduced emphasis on forward guidance may inject greater policy uncertainty into the back half of the year and increase risk premia.

From a fundamental perspective, earnings growth has been robust, with the AI-related supply chain contributing disproportionately. Strong rallies across several Technology industries have been driven primarily by earnings growth rather than multiple expansion, leaving relative valuations below historical norms despite outsized returns. We see a longer runway for earnings growth and continue to favor Industrials, especially those enabling infrastructure investment, automation, and electrification. Rising capital markets activity and strong fundamentals support our Financials overweight. We maintain significant portfolio exposure to names with lower earnings variability and are unrelated to the AI cycle. We are selective in the consumer sectors given uneven spending patterns tied to affordability pressures.

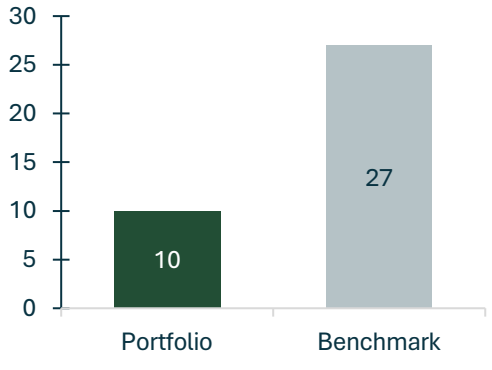
Sector Allocation



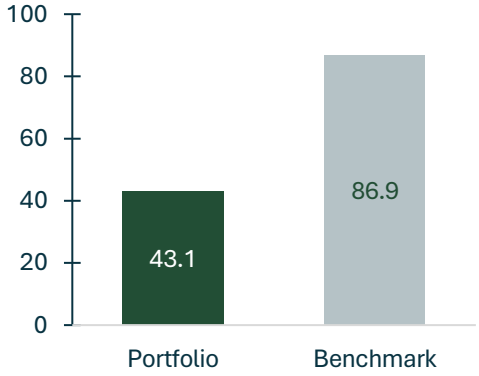
Source: Ridgeline

Portfolio Carbon Footprint [1]

Emissions Exposure (Scope 1 & 2)
(tCO_2e)



Carbon Intensity*
(tCO_2e/Mio USD Revenue)



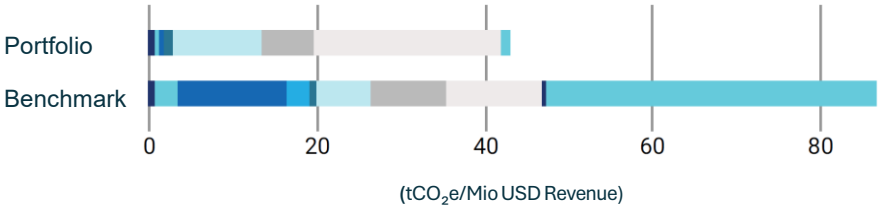
US Large-Cap Core Equity vs S&P 500

63.0% fewer emissions

50.4% less Carbon Intensive*

*Weighted Average

Weighted Avg Greenhouse Gas Intensity by Sector



[1]Data Source: ISS ESG Climate Impact Assessment. *ISS Climate Impact Assessment defines a portfolio's carbon footprint using the position ownership ratio, which is the aggregated weight per position in the portfolio calculated by aggregated position value divided by the total analysis value. The resulting aggregated position value is then divided by the Market Cap or AEV (Adjusted Enterprise Value, defined as "total debt plus market capitalization"). A portfolio's Carbon Intensity is achieved by calculating the carbon intensity (Scope 1 + 2 Emissions / $M Sales) for each portfolio company and calculating the weighted average by portfolio weight—all data as of reporting date: June 30, 2026. ISS is an independent company owned by entities affiliated with Genstar Capital ("Genstar"). The information in this document should not be considered a recommendation to buy or sell any security.

Sustainable Benefit Category Exposure as a % of Equity

Portfolio Total:

Companies deriving >50% of revenue from benefit category

Companies deriving material but <50% of revenue from benefit category

Company Spotlight

AMD

Efficiency/Recycling

Advanced Micro Devices (AMD) $580.91 as of Jun 30, 2026

- Designs **high-performance, energy-efficient processors** powering AI, cloud, enterprise, and edge computing.
- **Leadership in chiplet architecture** improves performance-per-watt while reducing material intensity and manufacturing complexity.
- Products enable **greater compute efficiency**, helping customers lower energy use across AI and data center workloads.
- **Long platform lifecycles** help extend server life, reducing e-waste and total cost of ownership.
- Operational focus on **renewable electricity, emissions reduction, and responsible resource management** supports manufacturing efficiency.
- **Critical enabler of efficient AI infrastructure**, delivering more computing performance with lower energy consumption.

Investment Strategies

- ✓ Active management
- ✓ Comprehensive sustainability analysis and integration.
- ✓ Active ownership prioritizing shareholder engagement

Customized Solutions Available

Strategy	Benchmark	AUM	Inception Date	Vehicle Options
All Country International	MSCI ACWIxUS	$259 M	Jan-11	Separate Account, Commingled Fund, ADR, Model Delivery
Emerging Markets*	MSCI EM	$1.33 B	Jan-13	Separate Account, Commingled & Mutual Fund
Global	MSCI ACWI	$711 M	Apr-08	Separate Account, Model Delivery, Mutual Fund**
International*	MSCI EAFE	$1.22B	Jan-05	Separate Account, Commingled & Mutual Fund, ADR, Model Delivery
US Core	S&P 500	$753 M†	Jan-03	Separate Account, Mutual Fund
US Value	Russell 1000 Value	$469 M†	Jan-03	Separate Account

*Includes faith-based assets. **Subadvised by Boston Common. †Includes balanced assets.

As of June 30, 2026. All investments involve risk, including the risk of losing principal. 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. GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.