# Quarterly Profile

Third Quarter, 2026

Boston Common Asset Management

# Emerging Markets Equity Strategy

The Emerging Markets Equity strategy is a fully invested, diversified portfolio built through research-driven conviction, combining fundamental and sustainability analysis. The strategy employs active management and proactive stewardship, focusing on high-quality companies with durable business models and sound governance. With a quality bias and a track record of more than 10 years, it seeks to preserve capital in down markets and deliver long-term outperformance versus the benchmark.

## Firm Overview

Boston Common Asset Management (BCAM) is an independent global equity investment firm focused on delivering competitive long-term returns across the U.S., developed international, and emerging markets. Since 2003, BCAM has combined proprietary research, disciplined portfolio construction, and active ownership with deep expertise in translating investor objectives and preferences into customized, values-aligned portfolios. The firm offers high-conviction fundamental equity strategies, custom direct indexation, and systematic, research-driven portfolios powered by its proprietary AMRIS platform. Headquartered in Boston, BCAM managed approximately $4.53 billion in assets as of September 30, 2026.

## Fundamental Equity Investment Approach

BCAM focuses on identifying long-term opportunities in 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

**Liz Su, CFA**
- 24 years experience
- Strategy PM since 2014

**Matt Zalosh, CFA**
- 30 years experience
- With BCAM since 2004

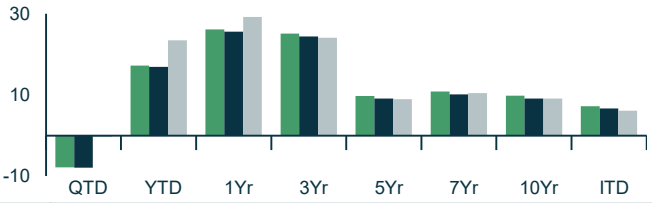
**Praveen Abichandani, CFA**
- 34 years experience
- With BCAM since 2005

**Supported by:**
- Full team of fundamental research analysts.
- Stewardship + sustainability research team.

## Opportunity

Emerging markets offer differentiated opportunities as energy costs, monetary policy, and domestic demand diverge. AI investment continues to support growth across chip design, advanced packaging, power management, and networking. In China, we favor structural growth leaders while remaining cautious on consumption. Beyond East Asia, opportunities span India, Brazil, and South Africa, supported by financial deepening, industrial investment, and commodity advantages. We focus on high-quality businesses with durable competitive advantages and a margin of safety in valuation, using sustainability analysis to assess earnings durability and risk.

## Performance (%)




| | QTD | YTD | 1Yr | 3Yr | 5Yr | 7Yr | 10Yr | ITD |
|---|---|---|---|---|---|---|---|---|
| Gross | -7.9 | 17.2 | 26.1 | 25.1 | 9.7 | 10.8 | 9.8 | 7.2 |
| Net | -8.0 | 16.9 | 25.6 | 24.4 | 9.1 | 10.1 | 9.1 | 6.6 |
| MSCI Emerging Markets | -0.4 | 23.4 | 29.2 | 24.1 | 8.9 | 10.4 | 9.1 | 6.1 |

## Annual Returns (%)

| | 2026 | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 |
|---|---|---|---|---|---|---|---|---|---|---|
| Gross | 17.2 | 40.4 | 9.9 | 7.8 | -17.3 | -7.8 | 24.0 | 24.4 | -16.6 | 44.5 |
| Net | 16.9 | 39.6 | 9.2 | 7.3 | -17.9 | -8.4 | 23.2 | 23.6 | -17.1 | 43.5 |
| MSCI Emerging Markets | 23.4 | 33.6 | 7.5 | 9.8 | -20.1 | -2.5 | 18.3 | 18.4 | -14.6 | 37.3 |

## Strategy Details

| | |
|---|---|
| **Benchmark** | MSCI EM |
| **Inception Date** | January 1, 2013 |
| **Strategy Assets** | $1.36 Billion |
| **Holdings Range** | 40-60 |
| **Tracking Error** | 3-6% |
| **Annual Turnover** | 20-30% |
| **Time Horizon** | 3-5 years |
| **Vehicles** | Separate Account, Commingled & Mutual Fund |

**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

During the quarter, the representative account for the Boston Common Emerging Markets strategy returned -7.1% (gross of fees), significantly underperforming the Index. Stock selection, rather than sector or country allocation, drove the shortfall.

Information Technology was the largest detractor. Although we entered the quarter underweight Technology and Korea, AI supply-chain holdings fell hardest: equipment maker Advanced Micro-Fabrication (China), networking supplier Accton Technology (Taiwan), and power-chip designer Silergy (Taiwan). Samsung Electro-Mechanics (Korea) and the TSMC (Taiwan) ADR also detracted, lagging local shares. Favoring Samsung Electronics over SK Hynix (Korea) added value.

In Industrials, Sungrow (China) fell amid U.S. restrictions on Chinese inverters, while CATL (China) de-rated as some EV customers diversified cell sourcing despite continued share gains. HD Hyundai Electric (Korea) saw profit-taking after raising its 2026 order target. In Financials, HDFC Bank (India) declined on CEO succession uncertainty, which eased after quarter-end when the Reserve Bank of India approved a new CEO. Lack of conventional Energy exposure and an underweight in Materials also weighed.

Lenovo (China) surged after an earnings beat and strong AI server pipeline growth. Healthcare holdings Mindray and Sino Biopharmaceutical (China) rose on earnings and improved licensing prospects.

Regionally, Taiwan, China, and Korea detracted the most. Poland and Colombia contributed the most, with PKO Bank Polski and Grupo Cibest leading.

## Top 10 Equity Holdings

| Name | % Weight | Sector Name |
|---|---|---|
| TAIWAN SEMICONDUCTOR | 14.9% | Technology |
| SAMSUNG ELECTRONICS | 10.7% | Technology |
| ALIBABA GROUP | 3.7% | Consumer Discretionary |
| SK HYNIX | 3.3% | Technology |
| HDFC BANK | 2.8% | Financials |
| BHARTI AIRTEL | 2.4% | Communication Services |
| ASE TECHNOLOGY | 2.3% | Technology |
| NASPERS LIMITED | 2.3% | Consumer Discretionary |
| DELTA ELECTRONICS | 2.3% | Technology |
| PING AN INSURANCE | 2.3% | Financials |
| **Total** | **47.3%** | |

## Portfolio Trades

We initiated five positions this quarter, broadening the portfolio's exposure.

In Information Technology, MediaTek (Taiwan) is a fabless chip designer emerging as a leading custom AI chip challenger, with growth expected to drive operating leverage.

Samsung Biologics, a high-margin Korean contract manufacturer positioned to gain share as U.S. customers shift from Chinese suppliers under the BIOSECURE Act. Recent order softness has pushed its valuation below historical averages.

TVS Motor, India's third-largest two-wheeler maker, is gaining share in premium motorcycles, scooters, and EVs.

In Industrials, ICTSI (Philippines), a major container port operator, has expanded margins through capacity, volume growth, and pricing, but trades near its historical multiple. Bidvest (South Africa), a diversified business-services group, is lifting margins through its fast-growing international hygiene business, while strong cash conversion funds bolt-on acquisitions.

We exited Samsung Electro-Mechanics (Korea) over valuation concerns and a cautious Korea outlook, and Sungrow (China) over weaker earnings and U.S. regulatory risk. We also sold Dabur (India), Power Finance Corp (India), and Fibra Prologis (Mexico) due to weaker outlooks.

## Portfolio Characteristics

| | Portfolio | MSCI Emerging Markets |
|---|---|---|
| **# Holdings** | 52 | 1165 |
| **Valuation** | | |
| Price/EPS (NTM) | 10.1 | 9.5 |
| EV/EBITDA (NTM) | 6.2 | 5.5 |
| Price/Book | 2.9 | 2.3 |
| Price/Sales | 2.1 | 1.9 |
| Dividend Yield | 1.7% | 1.7% |
| **Growth** | | |
| 3yr EPS Consensus Growth | 17.4% | 21.7% |
| 3yr Sales Growth | 11.1% | 10.6% |
| **Quality** | | |
| Beta** | 1.00 | 1.00 |
| LT Debt to Cap | 20.0% | 16.8% |
| Net Debt to EBITDA | -0.3x | -0.1x |
| Return on Equity | 18.7% | 16.1% |
| Earnings Variability*** | 23.2% | 32.5% |
| Free Cash Flow Yield | 4.3% | 3.8% |

**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 MSCI Emerging Markets (or "EM") Index is a free float-adjusted market capitalization weighted index that is designed to measure equity market performance in the global emerging markets. The EM Index covers many emerging market country indices. Designation as an emerging market is determined by a number of factors. MSCI evaluates factors such as gross national income per capita; market depth and liquidity; local government regulations; perceived investment risk; foreign ownership limits and capital controls; and the general perception by the investment community when determining an "emerging" classification of a market. This product invests in foreign securities, which are subject to special currency, political and economic risks 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

Q3 reinforced our view that EM offers distinct opportunities. Higher developed-market rates tighten global financial conditions, while rising energy prices weigh more on Asia's commodity importers. Divergent monetary policies, domestic demand, and earnings growth make selectivity essential.

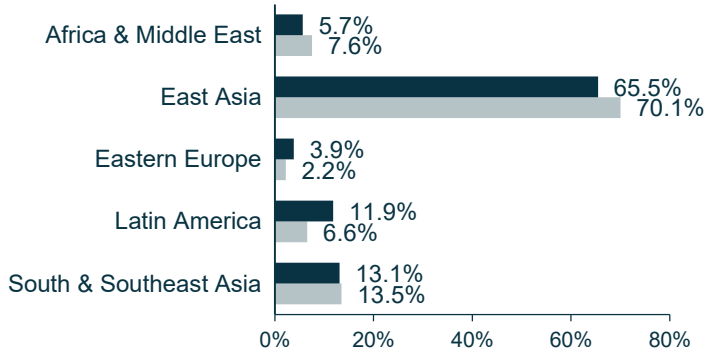
Tech accounts for over 40% of the Index, reflecting EM's shift from low-cost manufacturing and commodities toward technology and innovation. With AI hardware demand outstripping supply, we expect investment to continue in 2027. We are slightly underweight Tech, favoring diversified exposure to advanced packaging, chip design, power management, and networking over the largest semiconductor names.

China remains a two-track economy: resilient industry and exports contrast with weakening consumption and property. Electrification and supply chain diversification reduce exposure to higher oil prices vs. many Asian peers. We favor structural growth leaders and remain cautious on consumers.

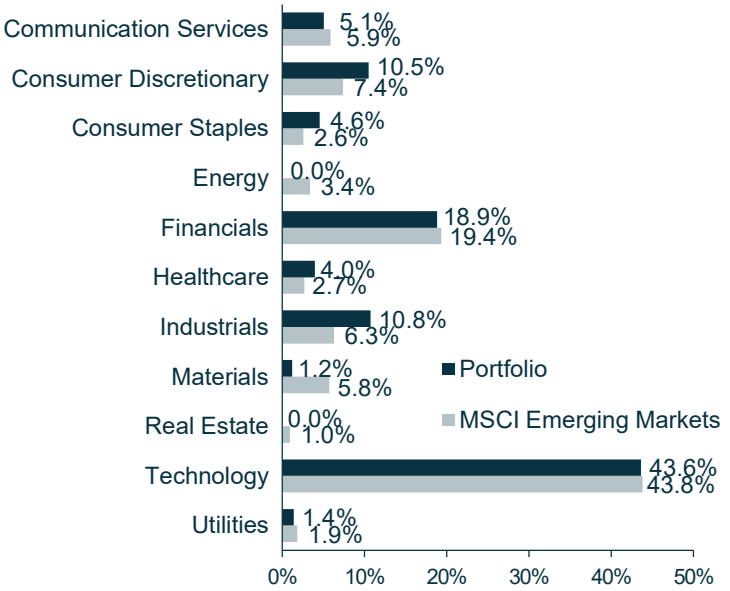
India, Brazil, and South Africa offer opportunities amid rising consumption, financial deepening, industrial investment, and commodity advantages. India's Reserve Bank raised rates in October, but healthy earnings and improved relative valuations support selective additions. El Niño could raise food prices across Asia. LatAm is our preferred diversifier: Brazil offers high real rates, net energy exports, and attractive valuations. Flávio Bolsonaro's party became Congress's largest ahead of the presidential runoff, which will shape fiscal policy. In South Africa, a lower inflation target anchors expectations, and power supply has stabilized.

We reduced Korea and selectively added to China and South Africa, and maintained our Brazil overweight. We increased Healthcare, cut Staples, and diversified Industrials and Technology beyond concentrated AI exposure.

## Sub-Regional Allocation

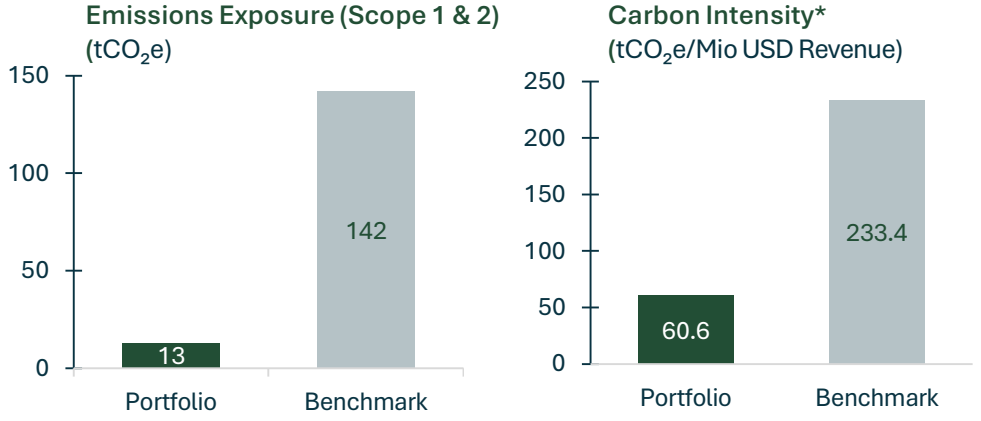



## Sector Allocation




Source: Ridgeline

## Portfolio Carbon Footprint [1]







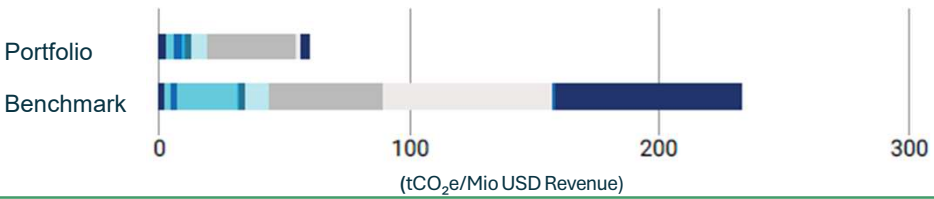
**Emerging Markets Equity vs MSCI Emerging Markets**

**90.8%** fewer emissions

**74.0%** 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 portfolio the 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: September 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

### Company Spotlight

mindray Access to Health

Shenzhen Mindray (300760) ¥161.32 as of Sep. 30, 2026

- **Access to Healthcare**: Manufactures patient monitoring, life-support, diagnostic testing, and medical imaging equipment.
- **Essential Medical Technology**: Products support diagnosis, vital-sign monitoring, and critical care.
- **Product Innovation**: Integrated hospital systems and AI-enabled tech aim to improve clinical workflows and support care delivery.
- **Customer Economics**: Emphasizes accessible technology and competitive ownership costs, helping healthcare providers invest in care capabilities.

### Portfolio Total:

Companies deriving >50% of revenue from benefit category

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

## Fundamental Equity 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 | $264 M | Jan-2011 | Separate Account, Commingled Fund, ADR, Model Delivery |
| **Emerging Markets*** | MSCI EM | $1.36 B | Jan-2013 | Separate Account, Commingled & Mutual Fund |
| **Global** | MSCI ACWI | $686 M | Apr-2008 | Separate Account, Model Delivery, Mutual Fund** |
| **International*** | MSCI EAFE | $906 M | Jan-2005 | Separate Account, Commingled & Mutual Fund, ADR, Model Delivery |
| **US Core** | S&P 500 | $740 M† | Jan-2003 | Separate Account, Mutual Fund |
| **US Value** | Russell 1000 Value | $536 M† | Jan-2003 | Separate Account |

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

As of September 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.