Quarterly Profile

Third Quarter, 2026

US Value Equity Strategy

Boston Common Asset Management

BCAM's US Value Equity strategy seeks misvalued companies with clear catalysts for re-rating through high-conviction, research-driven analysis. The portfolio is fully invested and diversified, supported by deep global expertise and active ownership. We emphasize durable cash flows, disciplined management teams, and businesses positioned for resilient demand and pricing power. The strategy has a proven track record of more than 20 years, with a consistent focus on navigating market cycles and delivering competitive returns relative to 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

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

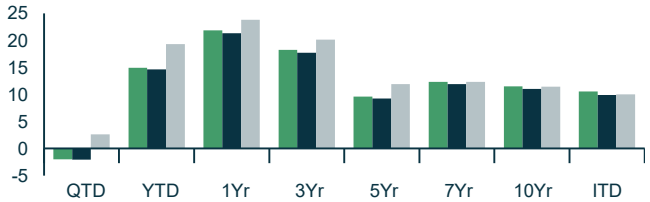
Praveen Abichandani, CFA
- 34 years experience
- With BCAM since 2005

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

Opportunity

Higher interest rates, persistent inflation, and rising energy costs reinforce the case for selectivity in U.S. Value equities. Resilient economic activity supports earnings, though margin pressure and consumer trade-down warrant caution. We see opportunities in capital markets businesses, selective AI infrastructure leaders, and companies benefiting from demand for energy efficiency and alternatives. Healthcare offers defensive growth at depressed valuations. Across sectors, we favor companies with pricing power, strong balance sheets, and durable earnings growth whose valuations offer potential for re-rating.

Composite Performance (%)



	QTD	YTD	1Yr	3Yr	5Yr	7Yr	10Yr	ITD
Gross	-2.0	14.9	21.8	18.2	9.6	12.3	11.5	10.5
Net	-2.1	14.6	21.3	17.7	9.2	11.9	11.0	9.9
Russell 1000 Value	2.6	19.3	23.8	20.1	11.9	12.3	11.4	10.0

Annual Returns (%)

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Gross	14.9	13.3	16.0	6.2	-7.6	24.3	14.0	29.0	-8.8	17.8
Net	14.6	12.8	15.5	5.8	-7.8	23.7	13.4	28.3	-9.3	17.1
Russell 1000 Value	19.3	15.9	14.4	11.5	-7.5	25.2	2.8	26.5	-8.3	13.7

Strategy Details

Benchmark	Russell 1000 Value
Inception Date	January 1, 2003
Strategy Assets	$536 Million†
Holdings Range	50-70
Tracking Error	3-5%
Annual Turnover	20-30%
Time Horizon	3-5 years
Vehicles	Separate Account

†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 Tax-Exempt US Value Equity composite declined 2.0% before fees, trailing the Index. Stock selection drove the shortfall, with concentration in Technology, Communication Services, and Consumer Discretionary.

Technology was the largest detractor. Semiconductor holdings Applied Materials and Micron, first-half standouts, reversed sharply, as both were removed from the Index in June, and their full weights became active positions. The reconstitution also left us underweight Apple, which rose 15%. Industrials detracted due to both our overweight and stock selection, as holdings in machinery and electrical equipment, such as Cummins, Hubbell, and Vertiv, retreated. Auto technology supplier Aptiv and retailers Lowe's and TJX Companies underperformed in Discretionary, while Fifth Third and Morgan Stanley weighed on Financials. Alphabet lagged a strong Communication Services sector, and our lack of conventional Energy exposure detracted as the sector led the Index.

Healthcare partly offsetting the detractors, contributing thanks to our overweight and stock selection, with double-digit gains in biopharma holdings, Merck, Gilead Sciences, and Amgen, as well as life sciences company Danaher. A Utilities underweight helped as the sector fell, and our sole holding, American Water Works, held up well. Hewlett-Packard Enterprise was the top contributor, beating estimates and raising guidance driven by robust server demand. Salesforce also surged on its own beat-and-raise quarter. Other outperformers included CME Group, MetLife, and Verizon.

Top 10 Equity Holdings

Name	% Weight	Sector Name
MICROSOFT CORP.	5.4%	Technology
MICRON TECHNOLOGY	4.1%	Technology
ALPHABET CAP STK	3.6%	Communication Services
MERCK & CO., INC	3.5%	Healthcare
APPLE	3.2%	Technology
BNY MELLON	2.7%	Financials
VERIZON	2.4%	Communication Services
STATE STREET	2.3%	Financials
VERTEX PHARMA	2.3%	Healthcare
MORGAN STANLEY	2.2%	Financials
Total	**31.6%**	

Portfolio Trades

We added two high-quality franchises at attractive valuations, funded by exits from weaker-fundamentals companies or those at full valuations.

Broadcom, a leading designer of custom AI accelerators and data center networking chips, was added on a pullback despite a solid fundamental outlook. Its innovations meaningfully reduce data center power consumption, and its software franchise adds recurring, higher-margin revenue.

Abbott Laboratories, a diversified health care leader, has returned to broad-based growth: newer heart-rhythm treatments are gaining share, glucose monitor sales are accelerating, and its acquired colon cancer screening business is performing well. Affordably priced products such as the FreeStyle Libre also widen access to care, yet the stock trades below its historical valuation, offering an attractive entry point.

We exited three holdings: CRH on weakening trends in construction materials, Aon on execution risk around its USI acquisition and a CFO transition, and Applied Materials on stretched valuation.

Portfolio Characteristics

	Portfolio	Russell 1000 Value
# Holdings	60	869
Valuation		
Price/EPS (NTM)	15.4	16.8
EV/EBITDA (NTM)	11.2	11.4
Price/Book	3.8	3.2
Price/Sales	2.7	2.2
Dividend Yield	1.3%	1.6%
Growth		
3yr EPS Consensus Growth	12.7%	10.3%
3yr Sales Growth	6.8%	5.6%
Quality		
Beta**	1.01	1.00
LT Debt to Cap	37.1%	38.2%
Net Debt to EBITDA	1.3x	1.4x
Return on Equity	16.9%	15.4%
Earnings Variability***	16.1%	20.4%
Free Cash Flow Yield	4.2%	3.7%

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 Russell 1000 Value Index is a capitalization-weighted index of the 1000 largest publicly-traded US companies that have low price-to-book, price-to-earnings, and price-to-cash-flow valuations relative to a broader universe of 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. 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.

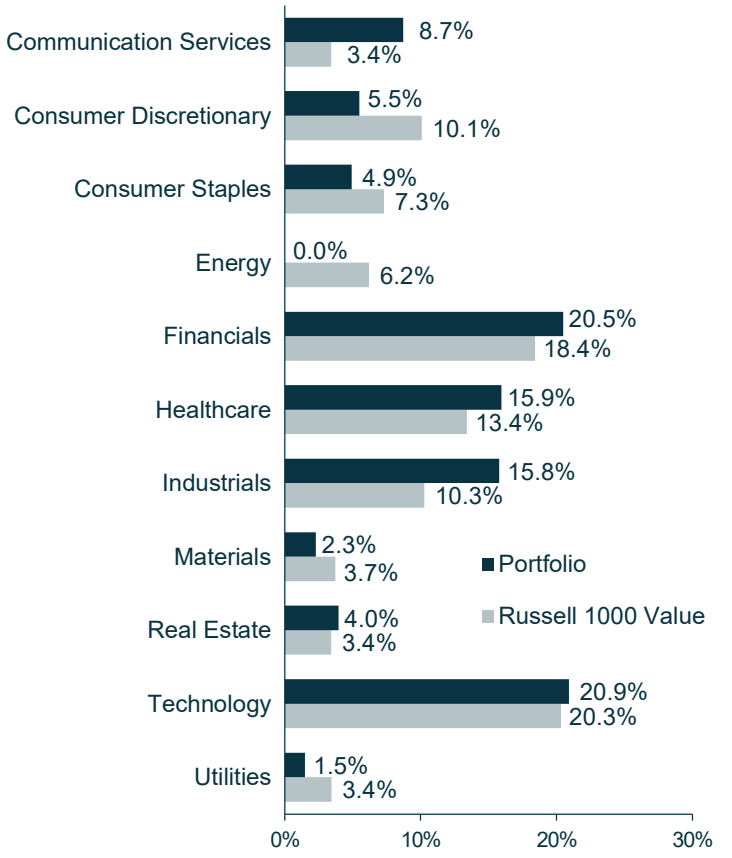
Outlook & Positioning

The US economy continues to exhibit fundamental strength fueled by resilient consumer demand and business investment. This healthy macroeconomic activity has resulted in strong earnings growth despite rising energy costs and tightening credit conditions. The Federal Reserve's 25-basis-point hike in September marks the start of a new tightening cycle, with the market expecting further hikes into early 2027.

While we have some concern about energy-driven inflation, the intensifying war in Ukraine, and the US conflict with Iran, much of the current demand growth is driven by asset-rich households and a relatively price-insensitive AI supply chain. Increasing signs of margin pressure and consumer trade-down behavior are the primary vulnerabilities we are monitoring.

Our positioning reflects this backdrop. The Financials overweight is expressed largely through capital markets businesses, which are levered to asset prices and activity, with some exposure to lending spreads. We are constructive on the long-term AI infrastructure buildout, while remaining selective and opportunistic, favoring companies with pricing power and strong balance sheets. While we do not own conventional energy, high and uncertain energy prices are strengthening demand for efficiency and alternative energy. We added to Healthcare, where defensive growth and depressed valuations offer an attractive risk-reward balance. We continue to seek companies with durable earnings growth and opportunities for re-rating.

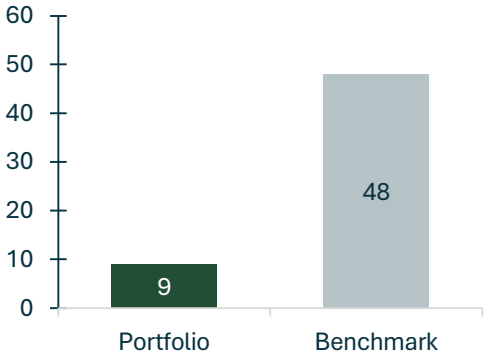
Sector Allocation



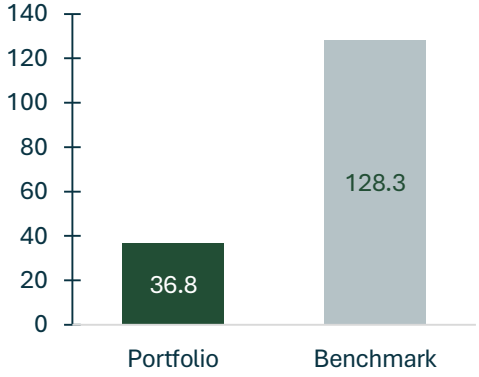
Source: Ridgeline

Portfolio Carbon Footprint [1]

Emissions Exposure (Scope 1 & 2)
(tCO_2e)



Carbon Intensity*
(tCO_2e/Mio USD Revenue)



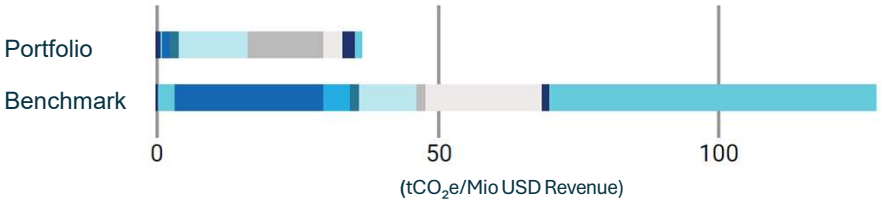
US Large-Cap Value Equity vs Russell 1000 Value

81.3% fewer emissions

71.3% 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

NVIDIA

Efficiency/Recycling

(NVDA) $228.38 as of Sep 30, 2026

- **Energy Efficiency**: NVIDIA combines chip design, software, networking, and cooling to increase AI computing output per watt.
- **Technology Advances**: NVIDIA reports up to 10× greater energy efficiency for Vera Rubin NVL72 versus Blackwell, depending on workload and configuration.
- **Customer Economics**: Greater efficiency can lower energy costs per task and expand computing capacity where power availability constrains growth.
- **Sustainability:** Efficiency gains can moderate AI's energy demands, though expanding adoption may still increase total electricity consumption.

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.

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