

Global Impact Equity Strategy Update

Third Quarter, 2020



Portfolio Review

The Boston Common Global Impact strategy rose +12.0% before fees, comfortably outperforming the Index. For the quarter, our stock selection in the Industrials, Real Estate, and Consumer Discretionary sectors was the largest contributor to performance. Within industrials, Danish wind turbine manufacturer Vestas benefited from improving global demand for renewable energy. US-based heavy duty diesel engine maker Cummins performed strongly, while water solutions provider Xylem benefited from secular growth in water treatment spending worldwide. Consumer Discretionary was boosted by Chinese EV and battery supplier BYD, which doubled in the quarter, as well as US residential insulation leader TopBuild and green homebuilder KB Home. Sustainable infrastructure financier Hannon Armstrong led within Real Estate. Emerging Markets was the top regional contributor, driven by Chinese solar glass manufacturer Xinyi Solar, outsourced chip manufacturing leader Taiwan Semiconductor, and BYD. Utility-scale solar manufacturer First Solar was another key contributor.

The Materials sector was the largest detractor from relative performance. Belgian catalyst producer Umicore and British recycled cardboard packaging company DS Smith declined on disappointing financial results. Consumer Staples also detracted modestly from returns, as constrained cosmetics markets weighed on Kao. Technology holdings had mixed results, with telecom infrastructure provider Ciena delivering a disappointing near-term earnings outlook. Regionally, North America detracted slightly from relative performance. Remdesivir manufacturer Gilead reversed all of its Covid-19 related run, while flooring manufacturer Mohawk declined slightly as its products and earnings turnaround is taking longer. EM financial holdings also hurt returns: Thai Kasikornbank and Indonesian Bank Rakyat.

Portfolio Activity

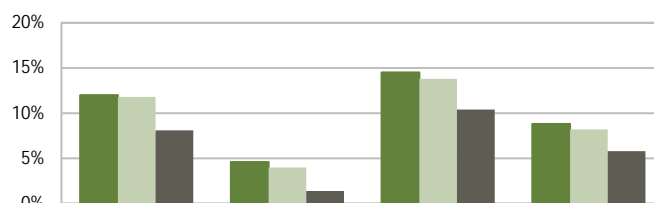
Among our transactions this quarter, we purchased Grifols, a pioneer and global leader in producing essential therapies from blood plasma to treat rare diseases. Based in Spain, the company's primary product, intravenous immunoglobulin, has an attractive growth profile driven by expanding diagnoses and new immune system indications. The company also takes appropriate steps to guarantee the safety and dignity of blood donors, in our view. Given a solid fundamental outlook, Grifols appears attractively valued, trading at 15.9x EBITDA.

Another purchase during the quarter was Xinyi Solar, the world's largest solar glass manufacturer. We see double-digit solar demand growth driven by soon-to-be-reached grid parity as well as favorable regulatory initiatives, including the European Green Deal. With a dominant market share and profit margin leadership

Xinyi is set to benefit from the strong solar demand and industry consolidation. We also purchased insulation distributor TopBuild. This market leader should benefit from the strong housing market and is a beneficiary of increased consumer emphasis on energy efficiency.

This quarter, we consolidated our positioning in recovering consumer spending by selling Do-It-Yourself center Home Depot and broad-based retailer Target. We also exited positions in Kasikornbank and ING Groep. The former's economic backdrop was weighed down by a weak Thai tourism industry, while the latter has not sufficiently addressed gaps previously identified in its risk management.

Performance



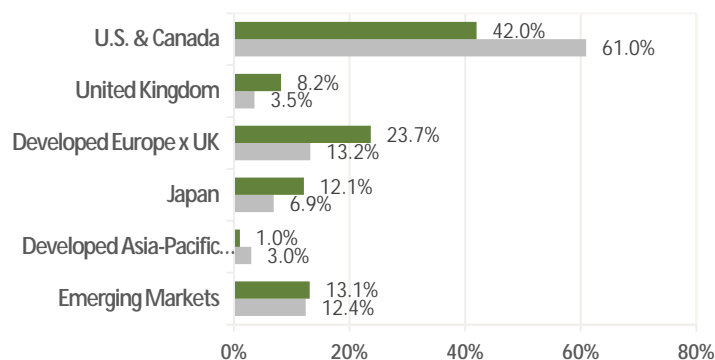
	QTD	YTD	1Yr	Since Inception*
Gross	12.0%	4.6%	14.5%	8.8%
Net	11.8%	4.0%	13.8%	8.2%
MSCI ACWI	8.1%	1.4%	10.4%	5.8%

Portfolio Characteristics

	Boston Common	MSCI ACWI
# Holdings	56	2,992
Valuation		
Price/EPS (NTM)	21.3	19.5
Enterprise Value/EBITDA (NTM)	13.6x	12.4x
Price/Book	3.2	2.7
Price/Sales	2.4	2.0
Dividend Yield	1.4%	2.0%
Growth		
3yr EPS Consensus Growth	8.2%	4.3%
3yr Sales Growth	4.0%	2.3%
Quality		
Beta**	0.92	1.00
LT Debt to Cap.	31.4%	36.9%
Net Debt to EBITDA	1.7x	1.1x
Return on Equity	15.5%	14.3%
Earnings Stability***	19.9%	22.1%
Free Cash Flow Yield	3.4%	4.2%

*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. ***Stability 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

Regional Allocation



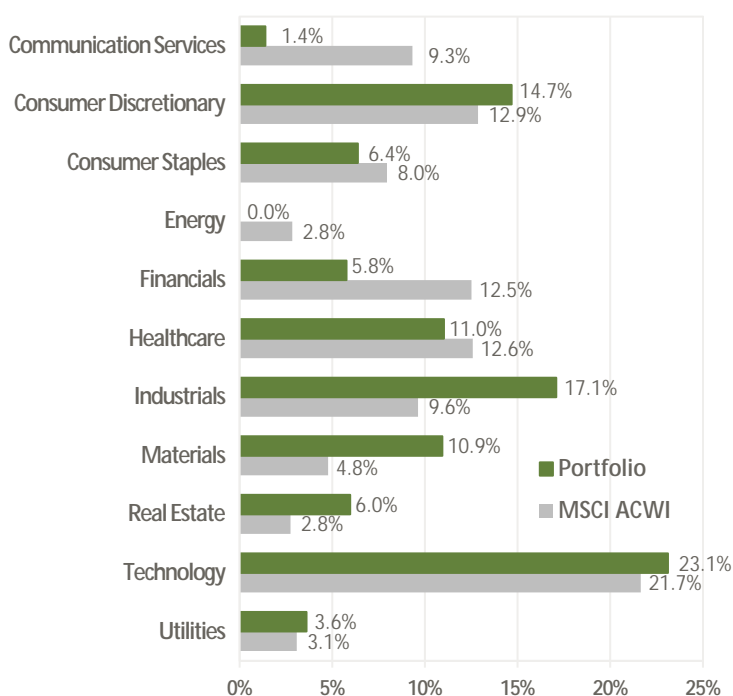
Portfolio Activity

Closed	Sector	% of Port.
ALPHABET INC	Communication Services	2.1%
AMERICAN EXPRESS CO	Financials	1.8%
APPLE INC	Technology	1.5%
CREDICORP LTD	Financials	1.1%
HOME DEPOT INC	Consumer Discretionary	1.5%
ING GROEP N.V.	Financials	2.5%
KASIKORNBANK PCL	Financials	1.3%
SWISSCOM AG	Communication Services	1.3%
TARGET CORP COM	Consumer Discretionary	1.3%
Total Closed		14.5%
New	Sector	% of Port.
GRIFOLS S A SP ADR PFD	Healthcare	2.0%
TOPBUILD CORP COM	Consumer Discretionary	2.8%
VMWARE INC CL A COM	Technology	2.4%
WABTEC COM	Industrials	2.0%
XINYI SOLAR HOLDINGS LTD	Technology	2.9%
Total New		12.1%

Contributors & Detractors

Top 10	% of Capital	Return	Relative Contrib.	Sector
BYD COMPANY LTD	2.2%	101.5%	1.53%	Consumer Discretionary
VESTAS WIND SYSTEM	2.3%	59.3%	0.92%	Industrials
HANNON ARMSTRONG SUST INFR	2.6%	50.4%	0.90%	Real Estate
XINYI SOLAR HOLDINGS LTD	1.2%	53.4%	0.69%	Technology
TAIWAN SEMICONDUCTOR	1.7%	42.7%	0.62%	Technology
TOPBUILD CORP	1.7%	37.3%	0.55%	Consumer Discretionary
FIRST SOLAR INC	2.2%	31.9%	0.39%	Technology
XYLEM INC	1.8%	30.2%	0.35%	Industrials
KB HOME	2.0%	24.5%	0.32%	Consumer Discretionary
CUMMINS INC	1.9%	22.6%	0.28%	Industrials
			6.54%	
Bottom 10				
CIENA CORP	2.0%	-26.9%	-0.69%	Technology
GILEAD SCIENCES INC	2.0%	-16.8%	-0.54%	Healthcare
UMICORE	2.0%	-11.1%	-0.39%	Materials
WABTEC	0.9%	-9.0%	-0.29%	Industrials
KASIKORNBANK PCL	0.9%	-14.0%	-0.24%	Financials
BK RAKYAT	2.1%	-3.7%	-0.20%	Financials
DS SMITH	1.3%	-6.6%	-0.17%	Materials
MOHAWK INDS INC	1.2%	-4.1%	-0.16%	Consumer Discretionary
KAO CORP	1.2%	-5.7%	-0.15%	Consumer Staples
CREDICORP LTD	0.9%	-6.7%	-0.14%	Financials
			-2.95%	

Sector Allocation



Shareowner Engagement Highlights

We sent letters to nine companies on **addressing racial equity across the value chain**, including board and executive accountability, corporate culture, and reporting. We have already received positive responses from Kroger, Novartis, GSK, and TJX.

Bank Rakyat responded to our Banks and Climate Change survey with updates in key areas, including **green bonds and their improving risk management practices with high carbon sector clients like palm oil producers**. Citigroup and Morgan Stanley joined the Partnership for Carbon Accounting Financials (PCAF).

Boston Common contributed to the development of PCAF's **global standards for six assets classes**, including listed equities. PCAF is supported by more than 70 financial institutions with close to \$10 trillion in assets.

Taiwan Semiconductor joined RE100, a global initiative that brings together companies committed to 100% renewable electricity.

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