

International Catholic Strategy Update

Third Quarter, 2020



Portfolio Review

A composite of Boston Common's Catholic International portfolios returned +9.6% before fees, meaningfully outperforming the Index. Stock selection in the Industrials sector was the largest contributor to returns. Danish wind turbine manufacturer Vestas Wind benefited from robust global demand for renewable energy. German electric fork lift and warehouse automation supplier Kion Group was boosted by rebounding factory activity, while healthy housing markets aided British building product distributor Ferguson. Producers of energy-efficient capital equipment also rallied on favorable fundamental prospects: Spirax-Sarco, Daikin, Atlas Copco, and Schneider Electric. The Healthcare sector was the next largest contributor to returns, boosted by Swiss hearing aid manufacturer Sonova and Japanese lens maker Hoya. Strong semiconductor holdings drove contributions in the Technology sector. Taiwan Semiconductor gained market share in outsourced chip production and Infineon was aided by exposure to electric vehicles and renewable energy. Our Financial holdings also helped us outperform. Europe was the primary source of regional outperformance with key contributions from German residential real estate company Vonovia, British sustainable ingredient supplier Croda, and Dutch consumer giant Unilever. Japanese wireless provider NTT DoCoMo rose 40% (our 3rd best performer) on news that it would be bought by its parent, Nippon Telegraph & Telephone.

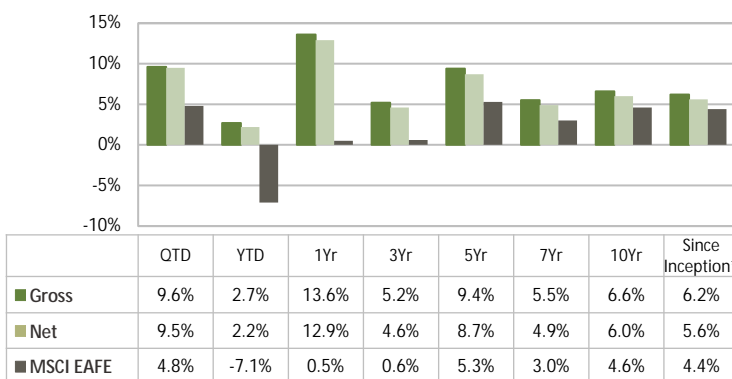
Poor stock selection in the Materials sectors was the primary detractor from returns. Belgian catalyst producer Umicore and British packaging company DS Smith declined on disappointing financial results. Consumer Staples also hurt relative performance. Constrained cosmetics markets weighed on Japanese Consumer Staples companies Kao and Shiseido. Kasikornbank was the top detractor, as limited tourism hampered the Thai economy. Additional detractors included Singapore Telecommunications and Bank Rakyat in Indonesia.

Portfolio Activity

Among our transactions this quarter, we purchased French auto parts supplier Valeo based on the company's burgeoning position in the electric vehicle supply chain. The company sells lights, sensors, powertrains, and thermal systems to global auto manufacturers. The long-term shift from internal combustion engines to electric vehicles should be a net positive for Valeo, primarily through its high voltage powertrain joint venture. The company actively manages its own GHG emissions with significant historical and active energy efficiency projects at its plants. Valeo is a particularly inexpensive stock, trading at 0.6x sales, given our expectations of rebounding core earnings and strengthening JV partnership.

We also 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. During the quarter, we sold Spanish electric grid operator Red Electrica as it faced a more challenging regulatory backdrop that is constraining its earnings and cash flow outlook.

Performance

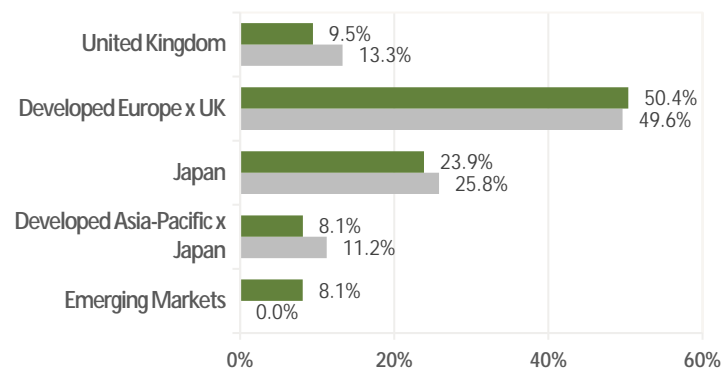


Portfolio Characteristics

	Boston Common	MSCI EAFE
# Holdings	62	901
Valuation		
Price/EPS (NTM)	21.8	17.3
Enterprise Value/EBITDA (NTM)	13.1x	10.4x
Price/Book	2.3	1.8
Price/Sales	1.9	1.3
Dividend Yield	1.9%	2.9%
Growth		
3yr EPS Consensus Growth	5.6%	3.0%
3yr Sales Growth	3.0%	0.4%
Quality		
Beta**	1.00	1.00
LT Debt to Cap.	30.3%	33.3%
Net Debt to EBITDA	0.9x	1.5x
Return on Equity	12.3%	10.8%
Earnings Stability***	18.7%	23.9%
Free Cash Flow Yield	4.2%	5.0%

*Since Inception: March 31, 2010 **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.
RED ELECTRICA CORP	Utilities	1.0%
total closed		1.0%

new	sector	% of port.
GRIFOLS SA	Healthcare	1.3%
VALEO SA	Consumer Discretionary	1.0%
Total New		2.3%

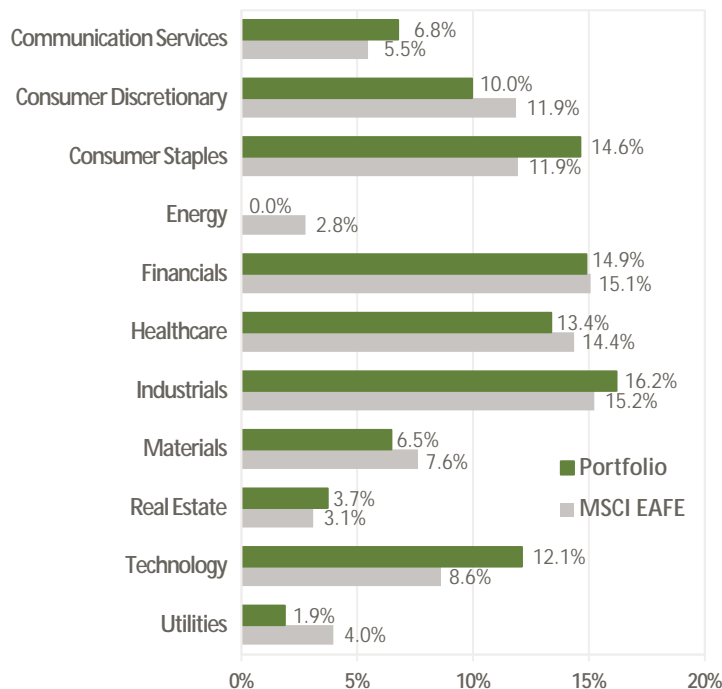
Contributors & Detractors

Top 10	% of Capital	Return	Relative Contrib.	Sector
VESTAS WIND SYSTEM	1.9%	59.4%	0.82%	Industrials
NTT DOCOMO	1.2%	40.8%	0.57%	Communication Services
ALIBABA GROUP HLDG LTD	1.9%	36.3%	0.52%	Consumer Discretionary
KION GROUP	1.5%	39.5%	0.41%	Industrials
TAIWAN SEMICONDUCTOR	1.2%	43.4%	0.37%	Technology
VONOVIA SE	2.9%	15.4%	0.33%	Real Estate
SONOVA HOLDING	1.6%	27.4%	0.32%	Healthcare
FERGUSON	1.9%	23.6%	0.32%	Industrials
CRODA INTL	1.6%	25.2%	0.30%	Materials
UNILEVER	2.9%	14.6%	0.27%	Consumer Staples
			4.24%	

Bottom 10

KASIKORNBANK PCL	0.9%	-20.7%	-0.26%	Financials
SINGAPORE TELECOMM	1.7%	-9.9%	-0.25%	Communication Services
AXA	1.8%	-9.0%	-0.24%	Financials
SHISEIDO CO LTD	1.4%	-9.9%	-0.24%	Consumer Staples
UMICORE	1.5%	-11.0%	-0.24%	Materials
KAO CORP	2.2%	-5.7%	-0.24%	Consumer Staples
DS SMITH	1.2%	-6.1%	-0.16%	Materials
BK RAKYAT	1.6%	-3.7%	-0.13%	Financials
WORLDLINE SA	0.9%	-4.9%	-0.10%	Technology
NASPERS	1.3%	-2.5%	-0.09%	Consumer Discretionary
			-1.94%	

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.

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 we discuss will remain in a strategy at the time you receive this document. The securities discussed do not represent a strategy's entire portfolio and may represent only a small portion of a strategy's holdings. It should not be assumed that any securities transactions we discuss were or will prove to be profitable. A different company is selected each quarter to be featured in our Company Spotlight. The company is chosen based on any potential updates to our investment thesis and/or ESG case. 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 is different from the composition of these indices 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 the Compliance department at 617-720-5557.