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All Country International Strategy Update

Third Quarter, 2018

INTERNATIONAL MARKET REVIEW

The MSCI ACWIxUS Index (the "Index") rose 0.7% in US Dollar terms. In local currency terms, the Index rose +1.5% as the stronger US Dollar subtracted -0.8% from US investor returns. The Euro (-0.5%), the UK Pound (-1.2%) and the Yen (-2.5%) all declined against the US Dollar as the Federal Reserve raised short-term interest rates for the third time in 2018. ACWI Europe (+0.9%) outperformed the Asia Pacific (+0.5%) region.

Political considerations exacerbated market volatility once again this quarter, as investors worried about trade war escalations and Italian politics. The Trump administration levied two sets of tariffs on China, provoking retaliatory counter measures. The Italian government proposed a fiscal budget deficit above the European Union's expectations, prompting concerns about more tension between national and supranational control. After being reelected as head of his political party, Shinzo Abe will likely remain Prime Minister of the world's third largest economy for another three years, making him Japan's longest serving democratic leader.

Healthcare (+4.5%) was the best performing sector, led by pharmaceutical companies. The Energy sector (+4.3%) was a close second, as oil prices increased. The defensive Real Estate sector (-3.7%) was the worst performer, as bond proxies were hurt by higher interest rates. Consumer Discretionary was down -2.7%.

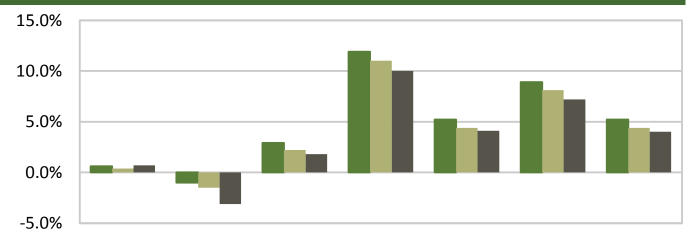
Within developed countries, Switzerland (+7.3%) and Sweden (+7.0%) were the top performing countries in the Index. Norway (+6.7%) was also strong, led by energy companies. Belgium (-5.2%) was the worst performing country in the Index. Italy (-4.5%) and Spain (-2.4%) were pressured by political uncertainty.

The MSCI Emerging Markets Index declined -1.1% almost entirely from foreign exchange loss, as the US Dollar strengthened against Emerging Market (EM) currencies in aggregate. EM Latin America (+4.8%) was more resilient, led by Mexico (+6.9%), while EMEA (-1.6%) and Asia Pacific (-1.8%) lagged with underperformance from both India (-2.3%) and China (-7.5%).

PORTFOLIO REVIEW

A composite of accounts invested in the Boston Common All Country International Equity strategy rose +0.6% before fees, slightly less than the Index. Stock selection in the Technology and Energy sectors was the largest detractor.

PERFORMANCE



	QTD	YTD	1Yr	3Yr	5Yr	7Yr	Since Inception*
Gross	0.6%	-1.0%	2.9%	11.9%	5.2%	8.9%	5.2%
Net	0.4%	-1.5%	2.2%	11.0%	4.4%	8.1%	4.4%
MSCI ACWIxUS	0.7%	-3.1%	1.8%	10.0%	4.1%	7.2%	4.0%

CONTRIBUTORS & DETRACTORS

TOP 10	% OF CAPITAL	RETURN	RELATIVE CONTRIB.	SECTOR
TAIWAN SEMICONDUCTOR MFG	1.6%	20.7%	0.29%	Technology
GRUPO FINANCIERO BANORTE	1.3%	21.5%	0.25%	Financials
CANADIAN PAC RAILWAY LTD	1.7%	16.0%	0.23%	Industrials
ROCHE HLDGS	2.8%	9.6%	0.23%	Healthcare
DAIKIN INDUSTRIES LTD	2.0%	11.7%	0.22%	Industrials
NOVARTIS	1.7%	14.0%	0.21%	Healthcare
BYD CO LTD	1.0%	18.5%	0.19%	Consumer Discretionary
RECKITT BENCK GRP	1.6%	12.2%	0.18%	Consumer Staples
KASIKORNBANK PLC FOREIGN	1.6%	11.9%	0.17%	Financials
ORSTED	1.5%	12.3%	0.17%	Utilities
			2.14%	

BOTTOM 10				
SUNNY OPTICAL TECH	1.6%	-38.0%	-0.78%	Technology
NASPERS	2.2%	-15.0%	-0.34%	Consumer Discretionary
ORIGIN ENERGY	1.3%	-19.4%	-0.30%	Energy
CTRIP COM INTL	1.1%	-22.0%	-0.29%	Consumer Discretionary
ALIBABA GROUP HOLDINGS	2.1%	-11.2%	-0.26%	Technology
ING GROEP	2.8%	-8.3%	-0.25%	Financials
MELIA HOTELS INTERNATIONAL	1.1%	-17.3%	-0.22%	Consumer Discretionary
HDFC BANK	1.8%	-10.4%	-0.21%	Financials
JULIUS BAER GROUP LTD	1.2%	-14.8%	-0.19%	Financials
SUNDRUG CO LTD	1.1%	-11.4%	-0.16%	Consumer Staples
			-3.00%	

Chinese technology holding Sunny Optical (-38.0%) declined due to delays in higher-end Android phone adoption, while Alibaba (-11.2%) was hurt by the overall China slow down and trade fears. Australia-based Origin Energy (-19.4%) faced tougher competition in its utility business. Regionally, stock selection in the Emerging Markets was the biggest detractor, led by the above listed stocks in Technology.

*Since Inception: December 31, 2010

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Consumer Discretionary also detracted with social media and e-commerce stocks Naspers (-15.1%) and Ctrip (-22.0%) declining due to slower revenue momentum. Additional key detractors included banks, Swiss Julius Baer (-14.8%), Dutch ING (-8.3%), and Indian HDFC (-10.4%), and Japanese pharmacy chain Sundrug (-11.4%).

Stock selection in Industrials was the largest positive contributor. Japanese manufacturers Daikin (+11.7%) and Kubota (+8.0%), rail operator Canadian Pacific (+16.0%), and British steam specialist Spirax-Sarco (+10.6%) delivered strong operational results. Our overweight and stock selection in the Healthcare sector also helped relative performance. Swiss pharmaceutical companies Novartis (+14.0%) and Roche (+9.6%) benefited from restructuring and better-than-expected sales, respectively. From a regional perspective, stock selection in the UK helped performance, particularly household and personal care producer Reckitt Benckiser (+12.3%) and specialty ingredients provider Croda (+7.8%). Additional key contributors included Danish wind power developer Orsted (+12.4%), Japanese bike parts supplier Shimano (+9.8%), and Swedish bank Svenska Handelsbanken (+13.4%).

PORTFOLIO ACTIVITY

During the quarter, we increased our holdings of more domestically oriented Japanese stocks (Sundrug and NTT) based on our improving fundamental outlook for the businesses as well as our constructive impression of Japan's macro backdrop. In addition, we added to European bank holdings ING and Julius Baer, which should benefit from higher interest rates and are trading at depressed valuations.

During the quarter, we sold Barclays, underwhelmed by its restructuring efforts, which have made insufficient progress in mitigating financial and ESG risks. We also opportunistically reduced Taiwan Semiconductor and Shiseido Holdings, which had risen significantly.

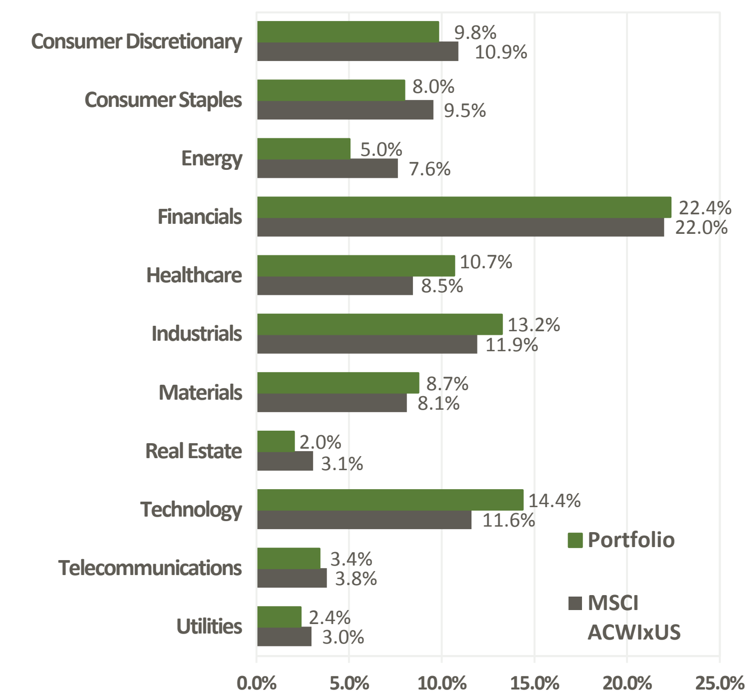
ECONOMIC & MARKET OUTLOOK

The global economy is forecast to grow around 4% over the next year. Emerging Markets are set to expand at nearly twice the pace of developed economies, as growth estimates have decelerated slightly of late. Europe's labor market recovery is gaining momentum, while Japan benefits from political stability and improving microeconomic performance. Key risks to the market include geopolitical shocks and rising protectionism. The MSCI ACWIxUS is trading at 12.9x forward earnings, reflecting a favorable balance between long-term risks and opportunities, in our view.

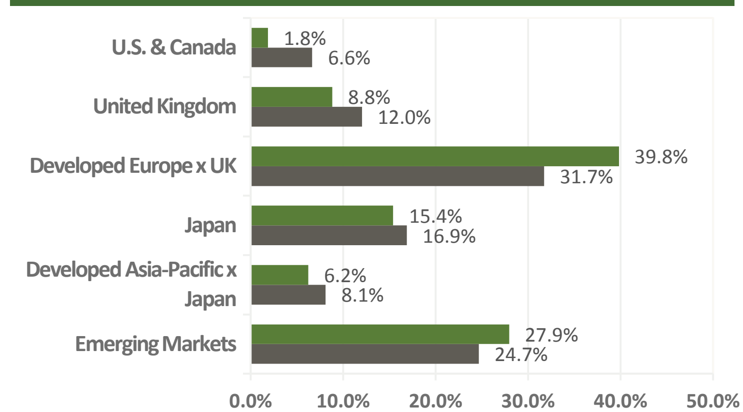
Europe

Eurozone inflation has recovered from depressed levels and is expected to be 2% over the next year. While higher energy costs have helped boost prices, labor market data suggest sustainable pricing power could be on the horizon. Unemployment has dropped from 12.1% to 8.1% over the past five years, and negotiated wage changes have increased to 2.2%, a six-year high. In Germany, collective bargaining, which covers over half of the country's workers, obtained a

SECTOR ALLOCATION



REGIONAL ALLOCATION



PORTFOLIO CHARACTERISTICS

	BOSTON COMMON	MSCI ACWIXUS
# HOLDINGS	69	2,166
Valuation		
Next 12m Price to Earnings	15.1	12.8
Price to Book Value	2.5	1.7
Price to Sales	2.1	1.2
Dividend Yield	2.3%	3.0%
Growth		
5yr Sales Growth	4.2%	0.7%
5yr EPS Growth	12.3%	6.8%
Risk		
Wtd Avg Mkt Cap	67,689	67,408
LT Debt/Cap	26.7%	30.7%
Beta	1.03	1.00

3% increase in represented salaries this year. Higher incomes should have a positive feedback effect through greater consumption and aggregate demand for goods and services. Politics has sporadically undermined investor sentiment for Europe. Italy's populist coalition brings unwelcome instability, but their call for fiscal stimulus could be appropriate for a persistently stagnant economy. We currently do not hold any Italian stocks because we find better risk and reward balances elsewhere. We also have relatively little exposure to the UK market based on our concern about the disruptive effects of Brexit. In contrast, we are relatively optimistic about Europe ex. UK and are overweight the market, especially in the Healthcare, Materials, and Technology sectors. Throughout Europe, we find companies that are global leaders in environmental solutions like energy efficient products, clean technologies, and green chemicals, as well as labor practices and governance structures.

Japan

Japan's recent experience suggests full employment may not automatically lead to excessive inflation. A shrinking labor force and economic expansion have resulted in a shortage of workers; unemployment is 2.4%, and there are 1.6 job offers for every applicant, the highest ratio in over 40 years. Excess labor demand has led to a 2.5% increase in private sector employees' incomes. However, Japanese core inflation remains stuck below 1%.

While Japan's aging and shrinking population will likely hold back economic growth, we are encouraged by corporate profit growth, rising female labor force participation, and increased transparency and independence of board directors. Strong global brands, exemplary environmental stewardship, and attractive valuations have contributed to our increased allocations to the Japanese market. We are underweight the Index but overweight the Consumer Staples and Healthcare sectors.

Asia Pacific & Emerging Markets

The US trade war is a key risk to our global outlook. The disruption to the flow of goods and cross-border supply chains is particularly challenging for trade-oriented Emerging Markets. The US has agreed to new deals with Mexico, Canada, and Korea that mostly retain the status quo. However, negotiations with China have floundered. The Chinese economy has been slowing due to a variety of factors, including slowing exports, natural maturing, and government policies to clean up the environment, reduce leverage, and dampen the real estate market. China is responding to the softer economic data and trade tensions by lowering taxes, easing reserve requirements for banks, and cutting tariffs on European and Japanese imports. While we are concerned about the US-China clash, we believe that China has the financial resources and tools to stimulate its economy amidst the disruption.

NEW & CLOSED POSITIONS

CLOSED	SECTOR	% OF PORT.
BARCLAYS PLC	Financials	0.9%
TOTAL CLOSED		**0.9%**

NEW	SECTOR	% OF PORT.
N/A		

COMPANY SPOTLIGHT: SCHNEIDER ELECTRIC

Company Profile

Schneider Electric is a global manufacturer of equipment and technology for power distribution, industrial control, and automation. Headquartered in France, the company generates revenues through four business segments: building (44% of 2017 sales), industrial automation (24%), infrastructure (18%), and IT (15%). With operations in over 100 countries, the company generates 32% of sales from Europe, 32% from the Americas, 28% from Asia Pacific, and 8% from Africa & Middle East. Sustainability is embedded within the company's planning, and management measures long-term objectives in terms of profit, planet, and people. In terms of "planet", Schneider is the only company in its industry to have been placed on the CDP's "Climate A list" for the past seven years. Regarding its "people", the company also outperforms. Despite having the largest workforce among its peers, its labor management is excellent; unions represent 80% of its 180,000 labor force.

Investment Thesis

Improving the efficiency of industrial processes will play a crucial role in the creation of a sustainable economy. As secular trends such as electric vehicle adoption increase the demand for electricity, power generation and distribution will underpin the expected environmental benefit. Schneider Electric is a leading manufacturer of equipment and software for electrical power distribution and industrial control. With its best-in-class technology, the company is strategically positioned to provide the necessary products and services to facilitate society's transition to a low-carbon economy.

Schneider Electric derives over 80% of sales from clean tech activities such as efficient energy products and automation. The company is well established and diversified with a top two position in the majority of its markets. This positioning, combined with its capital-light model, has led to a long record of strong double-digit return on capital and excellent free-cash-flow conversion. Given its innovative management team, compelling capital allocation, high dividend payout, and solid long-term growth drivers, the company looks attractively valued at a sector average P/E multiple. Risks include disintermediation from software companies and weaker power demand.

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India has supplanted China as the fastest growing large economy and appears relatively insulated from trade tensions, since exports are a relatively small portion of GDP. However, crude oil prices have surpassed 2008 highs in Rupee terms, as its currency has depreciated about 50% versus the Dollar over the past decade and 15% in 2018 alone. Looking forward, India appears to have ample growth prospects given favorable demographics, improving business efficiency, and world-class technological knowledge.

Rampant inequality is an impediment, but progress could broaden with more inclusive social policies like the recently launched universal health coverage initiative. Domestic consumer-related companies appear to have the most dynamic fundamentals in India and other Emerging Markets. Our portfolios are overweight Emerging Markets with emphasis in the technology, ecommerce, and financial industries.

Shareholder Engagement Highlights

Milestones	**Achieving Impact in Global Equities:** We published our second annual Engagement Impact report, **Achieving Impact in Global Equities**, which details **60 measurable impacts** and improvements in corporate policies, processes, or products in our global engagement efforts in 2017. We also shine a spotlight on our **alignment with the UN Sustainable Development Goals**.
	Lobbying Disclosure: We commended **Verizon Communications** for leaving the **American Legislative Exchange Council (ALEC),** a powerful lobbying group and will now urge Verizon to advance its transparency and accountability by adopting **comprehensive lobbying disclosure**. We called on Verizon to report its direct spending of shareholder resources on lobbying, including its indirect funding and support for ALEC. **Our resolution** at Verizon's May 2018 annual meeting received **strong support from shareholders (36.3% in favor).**
	Climate Change: Standard Chartered published a revised **Position Statement on Power Generation** and acknowledged Boston Common's input and review, which helped inform the company's position.
Work in Progress	**Tax Transparency:** A recent Oxfam America report, "Prescription for Poverty", concluded that some US pharma companies could be using tax havens to avoid paying up to $100 million in taxes every year to numerous Emerging Market countries. Our collaborative engagement focused on responsible tax management and transparency seeks to shine light on this topic. In our role as lead investor, we sent letters to Dr. Reddy's and Johnson & Johnson and will also engage Biogen, GlaxoSmithKline, Microsoft, and Novartis on this issue.
	Advancing Engagement in Emerging Markets: We urged **HDFC**, a bank in India, to recommit to responding to the **CDP** questionnaire in 2018, which aligns with the **Taskforce on Climate-related Financial Disclosures (TCFD**). We are leading an engagement with **Grupo Bimbo** on performance gaps identified in its **Access to Nutrition** policies and practices as part of the **2018 ATNI Global Index**. We met with the managements of South Korean companies to discuss material sustainability issues: With **Coway**, we discussed product safety protocols after nickel was found in its water purification products. With **SK Telecom** we engaged on the rights of users and data security.
New Initiatives	**Banks & Human Rights Due Diligence:** We initiated another layer of dialogue with global banks, intentionally integrating human rights due diligence into our meetings with **Barclays, ING, Morgan Stanley, PNC Financial, Standard Chartered,** and **TD Bank**. We are urging banks to: **address gun violence** and **Indigenous peoples' rights** with fossil fuel projects in the US, apply the **Equator Principles** beyond developing countries, and **respect human rights by adhering to the UN Guiding Principles**. We engage standard setting bodies (e.g. OECD) with the **aim of ensuring the integration of human rights into corporate lending and project finance oversight**. **ING** has one of the most advanced human rights policies supported by formal oversight with a Steering Committee across business lines and a transparent human rights policy.

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