

All Country International Strategy Update

Third Quarter, 2020



Portfolio Review

A composite of accounts invested in the Boston Common All Country International Equity strategy rose +11.0% before fees, comfortably outperforming the Index. For the quarter, our overweight of Industrials and strong stock selection made the sector the largest contributor to performance. Danish wind turbine manufacturer Vestas benefited from improving global demand for renewable energy, 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. This was followed by stock selection in the Consumer Discretionary and Technology sectors. Chinese EV and battery supplier BYD doubled in the quarter, while e-commerce behemoth Alibaba continued its strong performance. Within Technology, our semiconductor stocks outperformed, led by recent addition, Xinyi Solar, as China raised renewable energy goals and solar glass pricing improved. Taiwan Semiconductor gained market share in outsourced chip production while exposure to electric vehicles and renewable energy helped Infineon. Emerging Markets was the primary source of regional outperformance, with key contributions from the above-mentioned Greater China holdings. Other key contributors were German residential real estate company Vonovia, British sustainable ingredient supplier Croda, and Danish offshore wind farm developer Orsted.

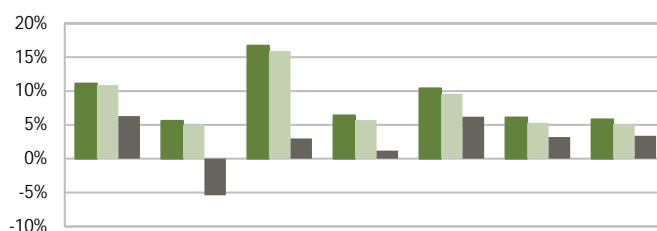
The Materials sector was the only detractor from relative performance. Belgian catalyst producer Umicore and British recycled cardboard packaging company DS Smith declined on disappointing financial results. Brazilian Itau Unibanco and Thai Kasikornbank were top detractors, the latter weakened by limited tourism, which hampered its domestic economy. Japan was the only region with negative relative performance, held back by cosmetics firm Shiseido and Nippon Telegraph & Telephone. European pharmaceutical holdings GlaxoSmithKline and Roche also dragged on results.

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.

During the quarter, we sold Panasonic due to persistently poor execution in translating its leading EV battery supply business into profits, as well as its involvement in several structurally challenged consumer and industrial businesses. We also 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



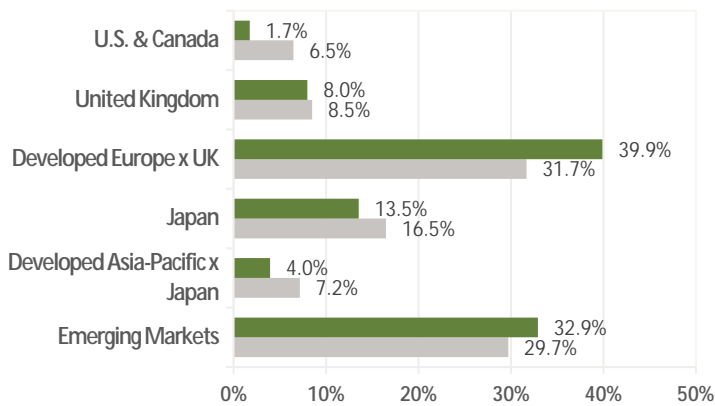
| | QTD | YTD | 1Yr | 3Yr | 5Yr | 7Yr | Since Inception* |
|--------------|-------|-------|-------|------|-------|------|------------------|
| Gross | 11.1% | 5.6% | 16.7% | 6.4% | 10.4% | 6.1% | 5.8% |
| Net | 10.9% | 5.0% | 15.9% | 5.7% | 9.6% | 5.3% | 5.1% |
| MSCI ACWIxUS | 6.3% | -5.4% | 3.0% | 1.2% | 6.2% | 3.2% | 3.4% |

Portfolio Characteristics

| | Boston Common | MSCI ACWIxUS |
|-------------------------------|---------------|--------------|
| # Holdings | 66 | 2,373 |
| Valuation | | |
| Price/EPS (NTM) | 19.5 | 16.6 |
| Enterprise Value/EBITDA (NTM) | 13.3x | 9.7x |
| Price/Book | 2.8 | 1.9 |
| Price/Sales | 2.2 | 1.4 |
| Dividend Yield | 1.7% | 2.6% |
| Growth | | |
| 3yr EPS Consensus Growth | 6.7% | 2.8% |
| 3yr Sales consensus Growth | 4.5% | 1.7% |
| Quality | | |
| Beta** | 0.97 | 1.00 |
| LT Debt to Cap. | 28.6% | 29.5% |
| Net Debt to EBITDA | 1.1x | 1.2x |
| Return on Equity | 12.5% | 11.2% |
| Earnings Stability*** | 20.9% | 25.3% |
| Free Cash Flow Yield | 3.4% | 4.7% |

*Since Inception: December 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. |
|---------------------|------------------------|-------------|
| PANASONIC CORP | Consumer Discretionary | 0.7% |
| RED ELECTRICA CORP | Utilities | 0.9% |
| Total Closed | | 1.6% |

| New | Sector | % of Port. |
|---------------------------|------------------------|-------------|
| DELTA ELECTRONICS INC GDR | Technology | 0.2% |
| VALEO SA | Consumer Discretionary | 0.7% |
| Total New | | 0.9% |

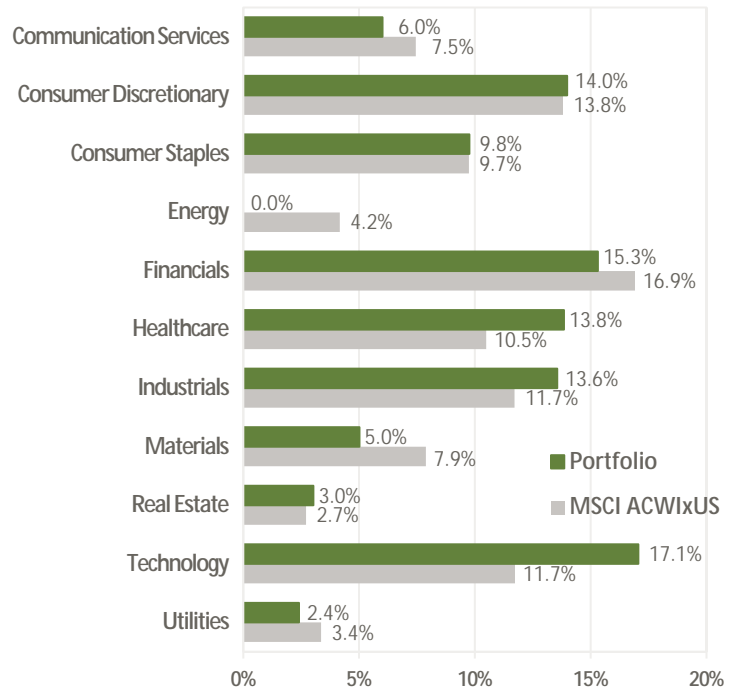
Contributors & Detractors

| Top 10 | % of Capital | Return | Relative Contrib. | Sector |
|--------------------------|--------------|--------|-------------------|------------------------|
| BYD COMPANY LTD | 1.8% | 102.8% | 1.31% | Consumer Discretionary |
| ALIBABA GROUP HLDG LTD | 3.8% | 36.3% | 0.99% | Consumer Discretionary |
| VESTAS WIND SYSTEM | 2.0% | 59.5% | 0.79% | Industrials |
| XINYI SOLAR HOLDINGS LTD | 1.3% | 68.8% | 0.69% | Technology |
| TAIWAN SEMICONDUCTOR MFG | 2.1% | 43.4% | 0.61% | Technology |
| YANDEX N V | 2.5% | 30.5% | 0.56% | Communication Services |
| FERGUSON | 1.6% | 23.5% | 0.26% | Industrials |
| CRODA INTL | 1.5% | 25.1% | 0.25% | Materials |
| INFINEON TECHNOLOGY | 1.8% | 20.7% | 0.24% | Technology |
| HOYA CORP | 1.9% | 18.6% | 0.22% | Healthcare |
| | | | 5.92% | |

Bottom 10

| | | | | |
|---------------------|------|--------|---------------|------------------------|
| ITAU UNIBANCO HLDG | 1.4% | -14.8% | -0.29% | Financials |
| KASIKORNBANK PCL | 1.0% | -19.5% | -0.28% | Financials |
| UMICORE | 1.3% | -11.0% | -0.23% | Materials |
| ROCHE HLDGS | 3.1% | -1.0% | -0.22% | Healthcare |
| AXA | 1.4% | -9.0% | -0.21% | Financials |
| NIPPON TEL&TEL CP | 1.1% | -10.9% | -0.21% | Communication Services |
| GLAXOSMITHKLINE PLC | 1.5% | -6.6% | -0.19% | Healthcare |
| NASPERS | 2.0% | -2.8% | -0.18% | Consumer Discretionary |
| SHISEIDO CO LTD | 1.0% | -9.9% | -0.18% | Consumer Staples |
| BK RAKYAT | 1.6% | -3.6% | -0.16% | Financials |
| | | | -2.15% | |

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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