

All Country International Strategy Update

First Quarter, 2021

For professional Investors only



Portfolio Review

A composite of accounts invested in the Boston Common All Country International Equity strategy fell -0.9% before fees, underperforming the MSCI ACWIxUS Index ("the Index"). Rising commodity prices and an increase in long-term interest rates pressured some of our high-quality growth holdings and aided depressed cyclical value stocks, more heavily weighted in the Index. These market conditions have been challenging for our relative performance.

Stock selection in the Technology sector was the largest detractor from performance. Xinyi Solar declined sharply on concerns about peaking solar glass prices. Japanese electronic component supplier TDK and machine vision provider Keyence also sold off. Stock selection in Consumer Discretionary, especially autos, was the next major detractor. Our auto parts holding Valeo in Europe and Chinese electric vehicle maker BYD declined, while legacy auto companies in the Index rallied. Adidas faced pressure in China related to its supply chain policy on human rights and underperformed its peers. Industrials sector stock selection also hurt with Danish wind turbine maker Vestas, Japanese air-conditioning firm Daikin, and Chinese heavy diesel-engine leader Weichai Power all declining. Regionally, Europe including UK was the largest detractor. In addition to the above-mentioned stocks, wind farm operator Orsted, flavors & fragrance specialist Kerry Group, household products giant Unilever, and specialty chemicals producer Croda performed poorly. Emerging Markets was the second largest regional detractor, led by the Chinese stocks mentioned above and followed by Itau Unibanco & electronic payments firm PagSeguro in Brazil and Electric Vehicle battery maker LG Chem in Korea. Japan was also a large regional detractor, including specialty lens manufacturer Hoya and previously mentioned stocks.

The Financials sector was the top contributor to absolute returns. Dutch bank ING and French insurer AXA benefited from rising interest rates and the style rotation. Japanese diversified financial provider Orix was also strong, as was Kasikornbank in Thailand. Additionally, Communication Services was positive in absolute terms, led by Deutsche Telekom, as was the Materials sector, driven by British packaging firm DS Smith and Belgian metals recycler Umicore. Additional key contributors included foundry leader Taiwan Semiconductor, Infineon Semiconductor in Germany, and Internet holding company Naspers in South Africa.

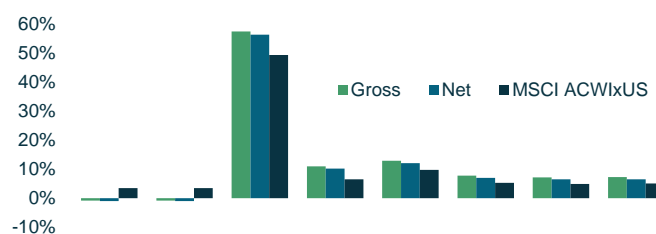
Portfolio Activity

Among our transactions this quarter, we purchased Oversea-Chinese Banking Corporation (OCBC), a high-quality Singaporean bank with exposure to emerging Asia. Singapore's banking market is attractive based on the country's political and legal stability and position as an Asian trading hub levered to an improving global economy. OCBC has strong wealth management and life insurance franchises that complement its business and household lending operations. The bank has demonstrated prudent credit underwriting, including attention to environmental impact, and supports micro and small businesses in underserved markets, especially in Indonesia and Malaysia. OCBC is trading at just over 1x book value with a dividend yield over 4% at a suppressed payout rate. In China, we acquired Weichai Power and China Traditional Chinese Medicine ("China TCM"). Weichai is a leader in heavy diesel engines for trucks and construction equipment, gaining share with affiliate brands as emissions standards continue to tighten. The Company also owns 45% of Kion, a German electric forklifts

manufacturer & warehouse automation specialist. Weichai trades at 12x NTM P/E, which is 10-year median relative to Emerging Markets Capital Goods. China TCM is a leader in traditional herbal medicine, especially the fastest-growing granules segment, which offers convenience and consistent quality. The company's network of regional producers and integrated supply chain position it to grow as regulatory coverage expands. At roughly 10x future earnings, we find the fundamentals of the business attractive. Recent reports that its parent company would take it private provide additional upside.

During the quarter we sold machine-vision leader Keyence after a long period of outperformance. We believe its price to earnings ratio of about 50x appears excessive relative to the company's leadership in the fundamentally attractive industry. We also sold another expensive outperformer, Brazilian electronic payments firm PagSeguro, at 41x '21 earnings estimates given the combination of high valuation and an extremely dire pandemic situation in Brazil.

Performance



	QTD	YTD	1Yr	3Yr	5Yr	7Yr	10Yr	Since Inception*
Gross	-0.8%	-0.8%	57.5%	11.0%	12.9%	7.8%	7.2%	7.3%
Net	-1.0%	-1.0%	56.4%	10.2%	12.1%	7.0%	6.5%	6.5%
MSCI ACWIxUS	3.5%	3.5%	49.4%	6.5%	9.8%	5.3%	4.9%	5.1%

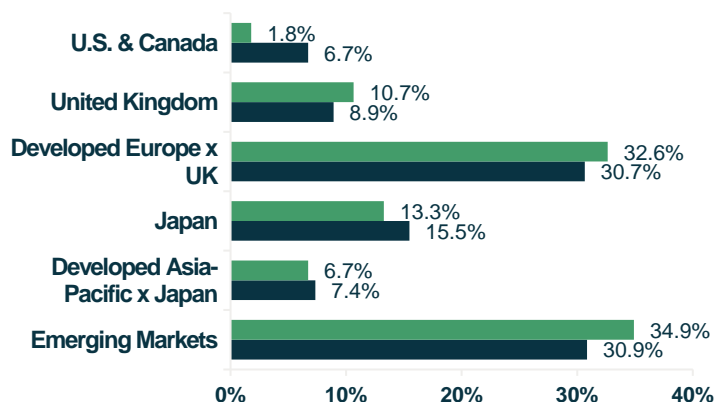
Portfolio Characteristics

	Boston Common	MSCI ACWIxUS
# Holdings	62	2,357
Valuation		
Price/EPS (NTM)	17.6	16.6
Enterprise Value/EBITDA (NTM)	11.7	10.6
Price/Book	2.4	2.2
Price/Sales	2.1	1.7
Dividend Yield	1.8%	2.0%
Growth		
3yr EPS Consensus Growth	11.9%	9.7%
3yr Sales consensus Growth	6.2%	4.6%
Quality		
Beta**	0.96	1.00
LT Debt to Cap.	28.3%	28.5%
Net Debt to EBITDA	1.4	1.4
Return on Equity	13.2%	12.7%
Earnings Variability***	22.7%	27.6%
Free Cash Flow Yield	3.9%	5.2%

Source: Internal Portfolio Data. Past performance does not guarantee future results. All investments involve risk, including the risk of losing principal

*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, ***Variability 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

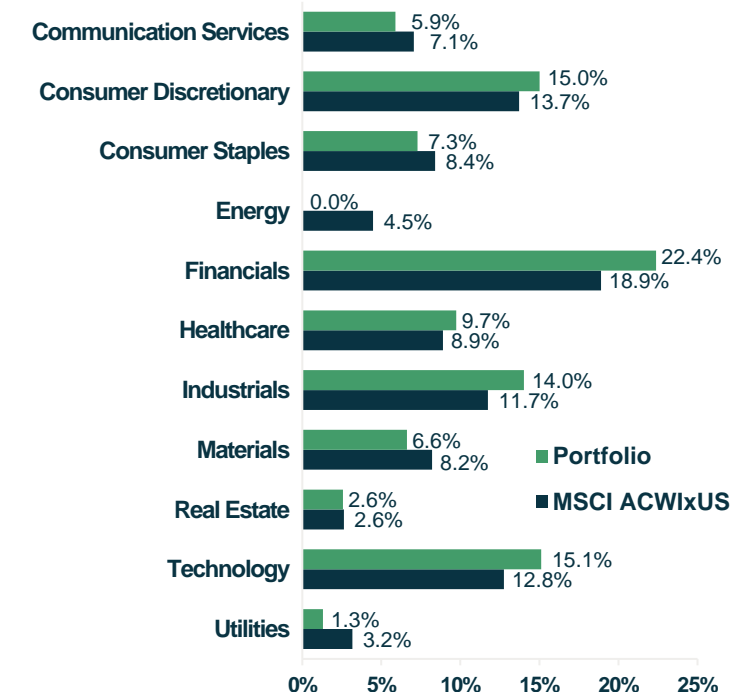
Closed	Sector	% of Port.
ADVANCED INFO SERV	Communication Services	0.7%
AIR LIQUIDE(L')	Materials	1.1%
AXA	Financials	1.7%
DELTA ELECTRONIC	Technology	1.6%
ENERGY DEVP CORP	Utilities	0.2%
KEYENCE CORP	Technology	1.3%
NOVARTIS AG	Healthcare	1.6%
PAGSEGURO DIGITAL LTD	Technology	1.3%
ROCHE HLDGS AG	Healthcare	2.5%
SAP SE	Technology	2.4%
SUNDRUG CO LTD	Consumer Staples	0.9%
UNILEVER PLC	Consumer Staples	2.3%
WORLDLINE SA	Technology	1.0%
Total Closed		18.5%

New	Sector	% of Port.
AIR LIQUIDE ADR	Materials	1.1%
AXA SA SPONSORED ADR	Financials	2.3%

Contributors & Detractors

Top 10	% of Capital	Return	Relative Contrib.	Sector
ING GROEP N.V.	1.8%	32.0%	0.44%	Financials
NASPERS	2.1%	16.2%	0.21%	Consumer Discretionary
KASIKORNBANK PCL	1.3%	22.8%	0.20%	Financials
ATLAS COPCO AB	1.5%	16.2%	0.17%	Industrials
TAIWAN SEMICONDUCTOR	3.9%	8.6%	0.15%	Technology
AXA	1.8%	12.7%	0.15%	Financials
INFINEON TECHNOLOGY	2.2%	11.0%	0.13%	Technology
RECRUIT HLDGS	1.1%	17.0%	0.12%	Industrials
ORIX CORP	1.9%	10.7%	0.11%	Financials
HDFC BANK LTD	2.6%	7.4%	0.11%	Financials
			1.80%	
Bottom 10	% of Capital	Return	Relative Contrib.	Sector
XINYI SOLAR HOLDINGS LTD	2.0%	-37.5%	-0.91%	Technology
VESTAS WIND SYSTEM	2.1%	-13.1%	-0.37%	Industrials
HOYA CORP	1.9%	-14.5%	-0.36%	Healthcare
ORSTED A/S	1.4%	-20.1%	-0.34%	Utilities
ADIDAS	1.5%	-14.1%	-0.30%	Consumer Discretionary
ITAU UNIBANCO HLDG SA	1.2%	-17.9%	-0.29%	Financials
KERRY GROUP	1.5%	-13.6%	-0.27%	Consumer Staples
KEYENCE CORP	0.9%	-18.3%	-0.27%	Technology
UNILEVER	2.1%	-6.9%	-0.23%	Consumer Staples
SAP SE	2.3%	-6.5%	-0.23%	Technology
			-3.57%	

Sector Allocation



Shareowner Engagement Highlights

Corporate Political & Lobbying Practices

We asked several US portfolio holdings to stop political donations to representatives who opposed the election results and to close their corporate Political Action Committees.

Human Rights in the Xinjiang Uyghur Autonomous Region

We joined the Investor Alliance on Human Rights (IAHR) in leading outreach to apparel and technology companies on addressing human rights abuses in the region.

We came to agreements with half of the companies we filed shareholder proposals with, withdrawing from the companies below:

- ✓ [Citigroup committed to net-zero GHG emissions by 2050](#) and joined PCAF
- ✓ 3M enhanced its **lobbying disclosure**
- ✓ Gilead & Regeneron increased **COVID therapeutics access strategies disclosures**
- ✓ Booking.com improved its **climate-related disclosures**
- ✓ Advanced Auto Parts committed to joining the [Science-Based Targets Initiative](#)

Source: Internal Portfolio Data. Past performance does not guarantee future results. All investments involve risk, including the risk of losing principal.

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