

Emerging Markets Strategy Update

Second Quarter, 2021

For professional investors only



Portfolio Activity

During the quarter, we purchased Brazilian-based WEG, a leading global electrical equipment manufacturer with exposure to electrical engineering, power, and automation technologies. We believe WEG is well positioned to capitalize on the growing demands for environmental solutions through its products in areas such as renewable energy, industrial efficiency, and electric vehicles. The company has recently lagged as investors rotated to value stocks, providing us with the opportunity to buy this high-quality, growth-oriented company. Another new Latin America position is Bancolombia, the 8th largest bank in Latin America with market leadership and positive ESG momentum. Recent earnings indicate early signs of potential asset quality improvement. The stock is trading at a 15-year low price-to-book valuation, reflecting much of investors' pessimism. We exited Brazilian pharmaceutical company Hypera. After the recent rally, we view the risk-reward profile as less attractive than other buying opportunities in the region.

In Asia, we bought Midea, one of China's largest home appliances companies with market leadership in air conditioners, refrigerators, washing machines, and small appliances. It also owns Kuka, one of the top four global robot and industrial automation manufacturers. We expect Midea's valuation discount to narrow given its strong earnings growth, smart-home product innovation, and diversification in industrial automation technologies. We sold Chinese sportswear manufacturer Shenzhou as we became more concerned about the potential human rights risks associated with its supply chain.

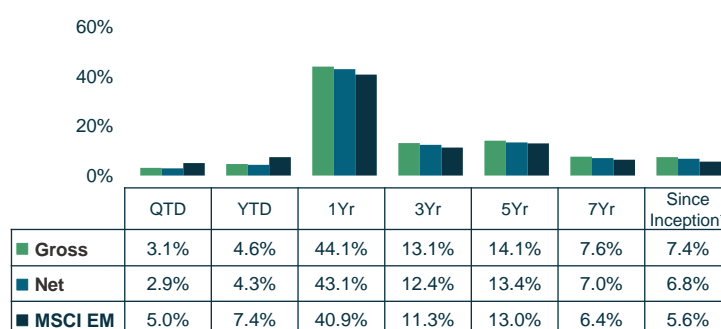
Portfolio Review

A composite of Boston Common's Sustainable Emerging Market strategy accounts returned +3.1% during the quarter, before fees, trailing the MSCI EM Index. Stock selection in the Consumer Discretionary sector was the largest detractor from performance. China education service provider New Oriental Education plummeted on tougher government regulations. The Chinese government's anti-monopoly measures continued to pressure Internet giants Alibaba and Naspers. Indonesian home improvement company PT ACE Hardware declined as COVID cases rose. Stock selection in the Financials sector was also a major detractor. Chinese insurance company Ping An delivered weak earnings as restructuring of its agencies hurt short-term profitability but should result in more sustainable growth for the future. Renewed COVID restrictions pressured HDFC bank in India and Kasikornbank in Thailand. South & Southeast Asia accounted for a majority of the regional underperformance.

Stock selection in the Technology sector was the largest positive contributor to relative results. Xinyi Solar rebounded as solar glass pricing outlook stabilized. Chinasoft, a leading Chinese IT service company, benefited from China's

increasing investment in the domestic technology supply chain. Brazilian payment company PagSeguro rallied on resilient business performance despite the appalling COVID outbreak. Stock selection in the Utilities and Real Estate sectors have also boosted performance. China city gas distributor ENN Energy delivered strong results driven by the recovery in industrial activity and the continuing structural shift away from coal. South African REIT Growthpoint Properties rallied on reopening optimism. Additional top contributors included Chinese electric vehicle company BYD, South Korean telecom company SK Telecom, and Brazilian pharmaceutical company Hypera.

Performance



Annual Returns

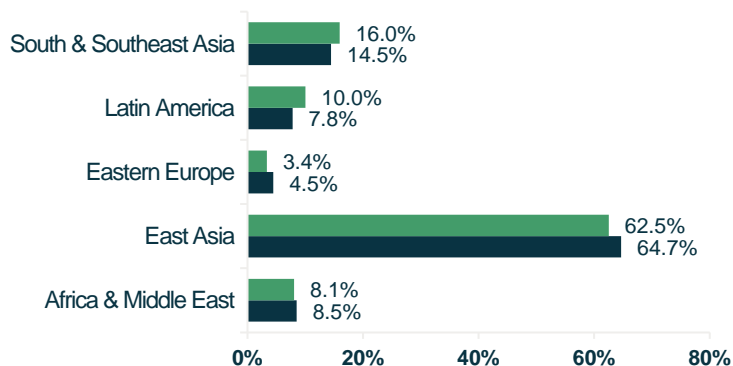
	2021	2020	2019	2018	2017	2016	2015	2014	2013
Gross	4.6%	24.0%	24.4%	-16.6%	44.5%	8.4%	-13.5%	-0.5%	1.2%
Net	4.3%	23.2%	23.6%	-17.1%	43.5%	7.9%	-13.8%	-1.0%	0.8%
MSCI EM	7.4%	18.3%	18.4%	-14.6%	37.3%	11.2%	-14.9%	-2.2%	-2.6%

Portfolio Characteristics

	Boston Common	MSCI EM
# Holdings	51	1,412
Valuation		
Price/EPS (NTM)	15.6	15.1
Enterprise Value/EBITDA (NTM)	9.6	9.0
Price/Book	2.7	2.6
Price/Sales	2.0	2.2
Dividend Yield	1.4%	1.6%
Growth		
3yr EPS Consensus Growth	16.4%	14.6%
3yr Sales consensus Growth	11.0%	10.1%
Quality		
Beta**	1.01	1.00
LT Debt to Cap.	24.3%	20.8%
Net Debt to EBITDA	2.6	-0.7
Return on Equity	12.7%	11.2%
Earnings Variability***	26.6%	0.3
Free Cash Flow Yield	3.1%	4.6%

Source: APX Advent Portfolio Exchange. Past performance does not guarantee future results. All investments involve risk, including the risk of losing principal
 *Since Inception: December 31, 2012, **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.
HYPERA SA	Healthcare	1.1%
SHENZHOU INTERNATIONAL	Consumer Discretionary	1.9%
Total Closed		3.0%

New	Sector	% of Port.
BANCOLOMBIA S A	Financials	0.6%
MIDEA GROUP CO LTD	Consumer Discretionary	1.2%
WEG SA	Industrials	1.0%
Total New		2.8%

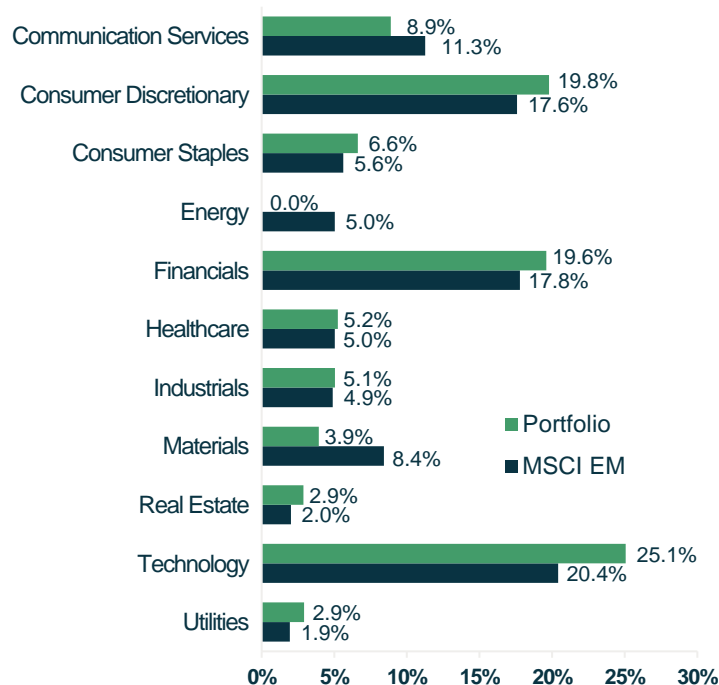
Contributors & Detractors

Top 10	% of Capital	Return	Relative Contrib.	Sector
CHINASOFT INTL LTD	1.4%	69.6%	0.74%	Technology
XINYI SOLAR HOLDINGS LTD	2.0%	30.8%	0.50%	Technology
BYD COMPANY LTD	1.3%	40.7%	0.43%	Consumer Discretionary
ITAU UNIBANCO HLDG	2.1%	21.8%	0.31%	Financials
ENN ENERGY HOLDING	2.1%	20.8%	0.29%	Utilities
SK TELECOM LTD	2.7%	17.1%	0.27%	Communication Services
OTP BANK	1.6%	25.5%	0.27%	Financials
HYPERA SA	1.2%	28.1%	0.25%	Healthcare
GROWTHPOINT PROPS	1.6%	21.0%	0.21%	Real Estate
PAGSEGURO DIGITAL LTD	1.2%	20.8%	0.19%	Technology
			3.48%	

Bottom 10

PING AN INSURANCE	3.2%	-16.3%	-0.73%	Financials
NEW ORIENTAL ED & TECH	1.0%	-41.3%	-0.63%	Consumer Discretionary
NASPERS	3.3%	-12.3%	-0.61%	Consumer Discretionary
SK HYNIX INC	5.7%	-3.7%	-0.53%	Technology
KASIKORNBANK PCL	1.5%	-19.3%	-0.41%	Financials
HDFC BANK LTD	3.0%	-5.9%	-0.33%	Financials
ALIBABA GROUP HLDG LTD	6.1%	0.0%	-0.32%	Consumer Discretionary
WEICHAI POWER CO	2.0%	-10.0%	-0.31%	Industrials
TRIP COM INTL LTD	1.8%	-10.6%	-0.28%	Consumer Discretionary
CREDICORP LTD	1.5%	-11.4%	-0.26%	Financials
			-4.40%	

Sector Allocation



Shareowner Engagement Highlights

We released our [Fifth annual Impact Report](#), "Delivering Equitable, Ethical, and Environmental Returns" representing the impact of our ESG engagement efforts in 2020.

- Fifth Third Bank announced it joined the Partnership for Carbon Accounting Financials (PCAF) a key ask of our long-term engagement.
- Regeneron enhanced its disclosure around pricing decisions on its COVID-19 antibody cocktail.
- We are engaging holdings that manufacture refrigeration and air conditioning appliances to advocate adoption of alternatives to hydrofluorocarbon (HFC) refrigerants, increased refrigerant efficiency, and proper end-of-life disposal of refrigerants.
- Boston Common and Mercy Investment Services sent an investor letter to AT&T regarding CNN and anti-Native bias and recommended steps CNN can take to improve programming, staffing, and contributions related to Native Americans.

Strategy Vehicle Options

Separate Account, Commingled Fund, Mutual Fund*

*Launching August 2021

Source: APX Advent Portfolio Exchange. 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) Emerging Markets Index captures large and mid-cap representation across the emerging market countries, as defined by Morgan Stanley. 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.