

Emerging Markets Strategy Update

Third Quarter, 2021



Portfolio Activity

During the quarter, we purchased Shenzhen Mindray Bio-medical Electronics, a leading medical device manufacturer in China. China views the Healthcare sector as an area of strategic importance and Mindray, with a broad product portfolio including patient monitoring, imaging, and in vitro diagnostics, stands to benefit from accelerated spending on medical infrastructure and future pandemic preparedness. The company also has a dynamic overseas business, currently accounting for 40% of revenues, which it expects to expand by leveraging the strong customer relationships developed during the pandemic. Importantly, as indicated by our ESG research, Mindray has demonstrated a solid product quality track record compared to global peers. The recent market selloff provided a good entry point with the stock trading at a historically low valuation relative to its peers.

We exited China's New Oriental Education as questions regarding the viability of its current business model increased following government policy actions. We also sold Noah, a Chinese wealth and asset management company as potential regulatory changes may further pressure earnings. Proceeds were redeployed into other holdings in China where risk-reward profiles are more attractive.

Portfolio Review

A composite of accounts invested in the Boston Common Sustainable Emerging Markets strategy returned -10.6% during the quarter before fees, lagging the MSCI EM Index. Stock selection in the Financials sector was the largest detractor from relative performance. Ping An, China's leading insurance company, has been beset by investor concerns regarding the impact of debt woes at property developer Evergrande. We believe current valuation reflects potential real estate risks. Stock selection in the Information Technology sector was another major drag on relative results. SK Hynix underperformed as memory pricing weakened. Taiwan IT heavyweights Taiwan Semiconductor and Delta Electronics declined as investors grew concerned about the companies' ability to pass through price increases in the midst of supply-chain constraints. Other notable detractors include internet companies Alibaba and Naspers, both reflecting pressures of China's regulatory headwinds. The portfolio's lack of exposure to the top-performing Energy sector was also a key detractor. By country, Taiwan, India and Korea were the largest detractors.

Stock selection in the Communication Services sector was the largest contributor to relative performance. Russia's Yandex, a search, ecommerce, and ride-tech services company, outperformed. The company is viewed as a long-term beneficiary as the country increasingly moves digital.

Wireless communications companies Bharti Airtel (India) and Advanced Info Service Public (Thailand), also contributed, the latter having recently entered a joint venture with a local commercial bank to offer online lending services. Stock selection in Industrials and Consumer Discretionary also helped returns. India-based air-conditioning and cooling solutions company Voltas and power equipment maker WEG in Brazil were strong relative performers, while discretionary holdings like Chinese EV manufacturer BYD, Taiwanese bike producer Giant, and Indonesian home improvement company PT Ace Hardware helped. Other notable contributors include OTP bank in Hungary, HDFC bank in India, and Kasikornbank in Thailand. From a country perspective, China and Brazil were the largest contributors.

Performance



	QTD	YTD	1Yr	3Yr	5Yr	7Yr	Since Inception*
Gross	-10.6%	-6.5%	14.2%	10.1%	9.8%	6.7%	5.8%
Net	-10.7%	-6.9%	13.4%	9.4%	9.1%	6.1%	5.3%
MSCI EM	-8.1%	-1.2%	18.2%	8.6%	9.2%	5.6%	4.4%

Annual Returns

	2021	2020	2019	2018	2017	2016	2015	2014	2013
Gross	-6.5%	24.0%	24.4%	-16.6%	44.5%	8.4%	-13.5%	-0.5%	1.2%
Net	-6.9%	23.2%	23.6%	-17.1%	43.5%	7.9%	-13.8%	-1.0%	0.8%
MSCI EM	-1.2%	18.3%	18.4%	-14.6%	37.3%	11.2%	-14.9%	-2.2%	-2.6%

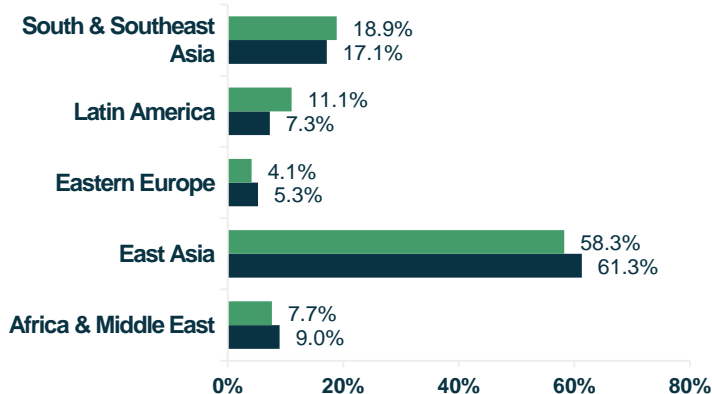
Portfolio Characteristics

	Boston Common	MSCI EM
# Holdings	50	1,418
Valuation		
Price/EPS (NTM)	14.3	13.8
Enterprise Value/EBITDA (NTM)	8.7	7.7
Price/Book	2.4	2.3
Price/Sales	2.0	1.9
Dividend Yield	2.0%	1.9%
Growth		
3yr EPS Consensus Growth	16.3%	14.1%
3yr Sales consensus Growth	10.64%	10.3%
Quality		
Beta**	1.03	1.00
LT Debt to Cap.	22.5%	20.5%
Net Debt to EBITDA	2.5	-0.5
Return on Equity	14.4%	10.9%
Earnings Variability***	26.0%	29.1%
Free Cash Flow Yield	3.0%	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



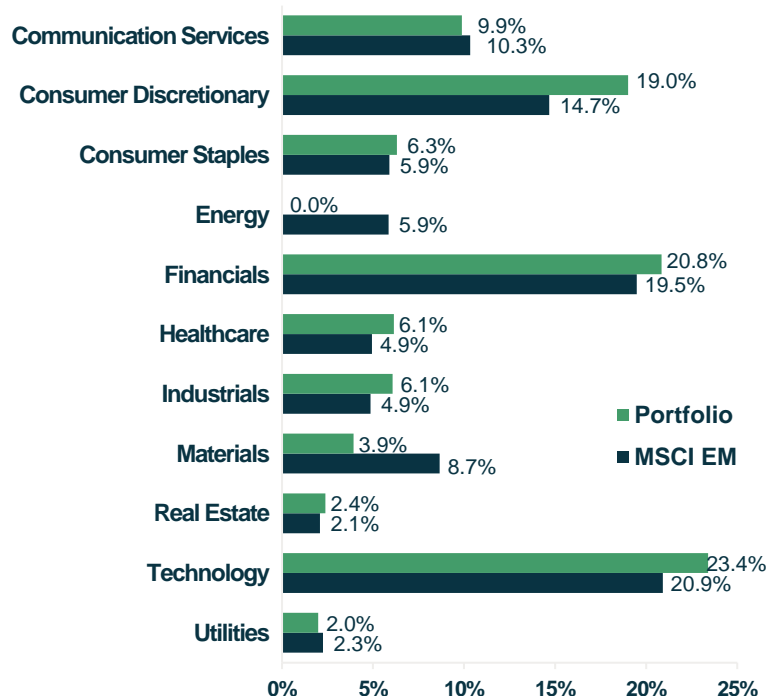
Portfolio Activity

Closed	Sector	% of Port.
BANK RAKYAT INDONESIA RIGHTS	Financials	0.0%
NEW ORIENTAL ED & TECH GRP INC	Consumer Discretionary	0.8%
NOAH HLDGS LTD	Financials	1.3%
Total Closed		2.1%
New	Sector	% of Port.
BANK RAKYAT INDONESIA RIGHTS	Financials	0.0%
SHENZEN MINDRAY BIO-MEDIC	Healthcare	0.9%
Total New		1.0%

Contributors & Detractors

Top 10	% of Capital	Return	Relative Contrib.	Sector
BHARTI AIRTEL LTD	1.2%	31.0%	0.38%	Communication Services
YANDEX N V SHS	1.7%	12.6%	0.33%	Communication Services
OTP BANK	2.0%	8.6%	0.31%	Financials
VOLTAS LTD	1.1%	19.6%	0.28%	Industrials
HDFC BANK LTD	3.1%	0.3%	0.26%	Financials
WEG SA	1.5%	8.6%	0.25%	Industrials
ADVANCED INFO SERV	1.4%	10.3%	0.25%	Communication Services
KASIKORN BANK PCL	1.4%	7.7%	0.23%	Financials
INFOSYS LTD	1.6%	5.0%	0.22%	Technology
CLICKS GROUP LTD	1.6%	7.0%	0.22%	Consumer Staples
			2.74%	
Bottom 10				
ALIBABA GROUP HLDG LTD	5.4%	-35.1%	-1.78%	Consumer Discretionary
SK HYNIX INC	4.9%	-23.2%	-0.89%	Technology
PING AN INSURANCE	2.6%	-28.9%	-0.61%	Financials
NEW ORIENTAL ED & TECH GRP I	0.3%	-75.8%	-0.60%	Consumer Discretionary
CHINA TRAD CHINESE	2.2%	-25.9%	-0.52%	Healthcare
LG HOUSEHOLD&HEALT	2.0%	-27.9%	-0.48%	Consumer Staples
NASPERS	2.7%	-21.3%	-0.41%	Consumer Discretionary
LOJAS RENNER S.A.	1.5%	-27.9%	-0.33%	Consumer Discretionary
TENCENT HLDGS LTD	2.0%	-21.5%	-0.32%	Communication Services
DELTA ELECTRONIC	3.3%	-15.8%	-0.27%	Technology
			-6.21%	

Sector Allocation



Shareowner Engagement Highlights

Boston Common announced the launch of a new mutual fund vehicle for our Emerging Markets strategy, providing investors another avenue of access to a diversified portfolio of EM companies with sound governance and sustainable business models.

Out of over 4,000 Certified B Corps, Boston Common was named Best for the World 2021, placing us among the top 5% of B Corps in the Clients impact area.

Refrigerants engagement

Boston Common engaged holdings that manufacture refrigeration and air conditioning appliances. Dialogues focused on global warming potential (GWP) product disclosure, transition to low GWP refrigerants, circularity, and emissions reductions targets & collaborative platforms.

Climate change & inclusive finance with banks

We are engaging insurers Axa and Ping An on integrating climate risk in underwriting and investment portfolios.

Strategy Vehicle Options

Separate Account, Commingled Fund, Mutual Fund

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

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