

US Large-Cap Core Strategy Update

Third Quarter, 2021



Portfolio Activity

Integrating our Environmental, Social, and Governance research alongside financial analysis, we continue to lean into companies that are seeking to provide solutions for today's challenges. Powerful demand trends remain in place as companies and consumers refocus on climate change – from renewable energy to electrification of transportation to responsible packaging, to name a few. During the year, the portfolio has been positioned to emphasize sustainable, attractively valued companies exposed to growing end markets.

Comfortable with our current positioning including our long-term overweight to Technology and earlier increase to Financials, trading activity was subdued this quarter. We added to high-conviction name McCormick, a spice company that benefits from renewed interest in healthy cuisine both in and out of home and apparel maker PVH. We also added to Netflix, as the company demonstrates its ability to continue dominating the new media world with quality productions. Cognizant of rising input costs, we trimmed flooring manufacturer Mohawk Industries but remain positive on housing demand. IT company VMware was sold from portfolios as the transition of its business model towards the cloud is taking longer than initially expected.

Market Review

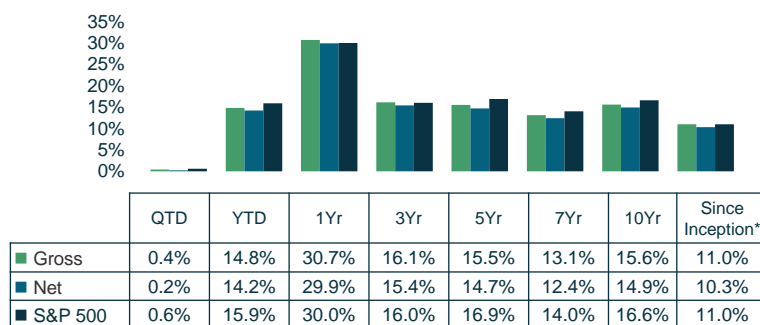
Boston Common's Tax-Exempt US Large-Cap Core account composite returned +0.4% (gross of fees) this quarter, slightly lagging the S&P 500 Index (the "Index"). On a trailing twelve-month basis, the composite's (+30.8%) performance remains in line with the Index's (+30.0%) return.

Communication Services was the biggest contributor to relative performance. Top holdings Alphabet and Netflix continue to benefit from the demands of the ever-expanding online and digital streaming world. Mega-cap technology companies Apple and Microsoft continue their long-term contribution to portfolio performance. Boston Common portfolios were overweight the best performing sector, Financials, which helped returns from an allocation perspective. Stock selection was also positive, helped by insurance services leader AON and capital markets specialist Morgan Stanley. Over the summer, as companies reported strong earnings and raised their respective outlooks, global pharmaceutical company Novo-Nordisk, life sciences and diagnostics provider Danaher, and finance software company Intuit all provided strong relative performance. Customer relations software company Salesforce was also among the top ten holdings.

Several sectors returned mixed results. In Industrials, positive stock selection helped relative performance even though conglomerate 3M and engine manufacturer Cummins were

individual detractors. The Technology sector detracted from relative returns as the strong performance outlined above was not enough to offset the weakness of semiconductor holdings Micron Technology and Applied Materials and telecommunications equipment maker Ciena Corp. Both Consumer Staples and Consumer Discretionary detracted from the quarter's returns due to stock selection. Global automotive parts manufacturer Magna International suffered along with auto makers, as concerns over supply-chain disruption increased. Other detractors this quarter included consumer packaging manufacturer Aptargroup Inc., digital payments provider Visa, and biopharma holdings Biogen and Vertex.

Performance



Annual Returns

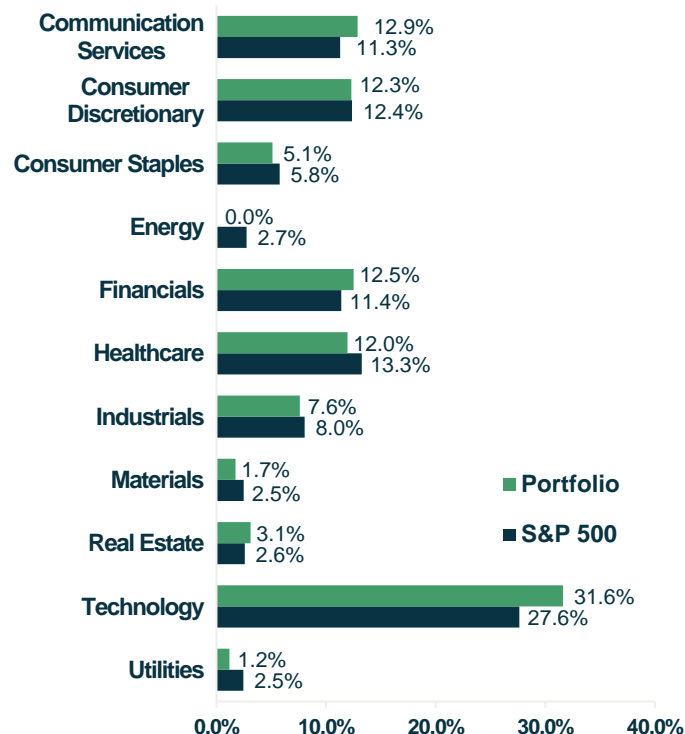
| | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
|---------|-------|-------|-------|-------|-------|-------|------|-------|-------|-------|
| Gross | 14.8% | 20.3% | 29.9% | -7.2% | 22.1% | 9.0% | 3.6% | 9.8% | 33.0% | 15.0% |
| Net | 14.2% | 19.5% | 29.1% | -7.8% | 21.3% | 8.3% | 3.0% | 9.1% | 32.4% | 14.4% |
| S&P 500 | 15.9% | 18.4% | 31.5% | -4.4% | 21.8% | 12.0% | 1.4% | 13.7% | 32.4% | 16.0% |

Portfolio Characteristics

| | Boston Common | S&P 500 |
|-------------------------------|---------------|---------|
| # Holdings | 56 | 506 |
| Valuation | | |
| Price/EPS (NTM) | 20.2 | 20.9 |
| Enterprise Value/EBITDA (NTM) | 15.1 | 14.6 |
| Price/Book | 4.8 | 4.7 |
| Price/Sales | 3.7 | 3.5 |
| Dividend Yield | 1.0% | 1.2% |
| Growth | | |
| 3yr EPS Consensus Growth | 12.35% | 14.69% |
| 3yr Sales consensus Growth | 8.35% | 7.77% |
| Quality | | |
| Beta** | 0.96 | 1.00 |
| LT Debt to Cap. | 37.6% | 41.7% |
| Net Debt to EBITDA | 0.5 | 0.9 |
| Return on Equity | 14.0% | 18.4% |
| Earnings Variability*** | 18.6% | 19.8% |
| Free Cash Flow Yield | 4.5% | 3.8% |

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, 2002 **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

Sector Allocation



Contributors & Detractors

| Top 10 | % of Capital | Return | Relative Contrib. | Sector |
|----------------------------|--------------|--------|-------------------|------------------------|
| ALPHABET INC | 6.1% | 6.3% | 0.32% | Communication Services |
| MICROSOFT CORP | 7.9% | 4.3% | 0.28% | Technology |
| NETFLIX INC | 1.7% | 15.7% | 0.25% | Communication Services |
| INTUIT | 2.6% | 10.2% | 0.23% | Technology |
| AON | 1.1% | 19.9% | 0.19% | Financials |
| MORGAN STANLEY | 3.3% | 6.9% | 0.19% | Financials |
| DANAHER CORPORATION | 1.5% | 13.5% | 0.17% | Healthcare |
| APPLE INC | 5.9% | 3.5% | 0.16% | Technology |
| SALESFORCE COM INC | 1.6% | 11.0% | 0.16% | Technology |
| NOVO-NORDISK A S | 1.2% | 15.0% | 0.16% | Healthcare |
| | | | 2.11% | |
| Bottom 10 | | | | |
| MICRON TECHNOLOGY INC | 1.5% | -16.4% | -0.30% | Technology |
| BIOGEN INC | 1.3% | -18.3% | -0.25% | Healthcare |
| MAGNA INTL INC | 1.1% | -18.5% | -0.23% | Consumer Discretionary |
| 3M CO | 1.7% | -11.0% | -0.20% | Industrials |
| VISA INC | 3.5% | -4.6% | -0.18% | Technology |
| APPLIED MATLS INC | 1.5% | -9.4% | -0.16% | Technology |
| CIENA CORP | 1.5% | -9.7% | -0.16% | Technology |
| APTARGROUP INC | 0.9% | -15.0% | -0.15% | Materials |
| VERTEX PHARMACEUTICALS INC | 1.2% | -10.0% | -0.13% | Healthcare |
| CUMMINS INC | 1.5% | -7.3% | -0.13% | Industrials |
| | | | -1.88% | |

Portfolio Activity

| Closed | Sector | % of Port. |
|---------------------------|------------|-------------|
| ORGANON & CO COMMON STOCK | Healthcare | 0.1% |
| VMWARE INC CL A COM | Technology | 0.7% |
| Total Closed | | 0.8% |

| New | Sector | % of Port. |
|-----|--------|------------|
|-----|--------|------------|

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, Model/ADR, 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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