

**FORM ADV Uniform Application for Investment Adviser Registration**  
**Part 2A: Investment Adviser Brochure**  
**Item 1: Cover Page**

**Boston Common Asset Management, LLC**

**84 State Street  
Suite 940  
Boston, Massachusetts 02109  
(617) 720-5557**

**www.BostonCommonAsset.com**

**SEC File # 801-61564**

**Firm CRD # 123558**

**Issue Date: March 30, 2015**

This Brochure provides information about the qualifications and business practices of Boston Common Asset Management, LLC ("Boston Common"). If you have any questions about the contents of this Brochure, please contact us at the phone number listed above. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority. Additional information about Boston Common is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Boston Common is an investment adviser that has been registered with the SEC since 2002. Our registration as an investment adviser does not imply any level of skill or training. The oral and written communications Boston Common provides to you, including this Brochure, are information you use to evaluate us and factor in your decision to hire us or continue to maintain a mutually beneficial relationship.

<b>Item 2: Material Changes</b>
---------------------------------

This Item 2 discusses only specific material changes that have been made to the Brochure and provide clients with a summary of such changes. Boston Common's annual brochure was last updated on March 28, 2014. Additional information about Boston Common, including a current copy of this Brochure, is available through the SEC's Investment Adviser Public Disclosure (IAPD) system at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). A copy of this Brochure may also be requested, free of charge, by contacting us at 617-720-5557 or [compliance@bostoncommonasset.com](mailto:compliance@bostoncommonasset.com).

**Summary of Material Change:**

Boston Common Asset Management, LLC ("Boston Common" or the "firm") launched an Emerging Markets commingled vehicle in December of 2014. This product is available to accredited investors only.

### Item 3: Table of Contents

Topic	Page #
<b>Item 1:</b> Cover Page .....	1
<b>Item 2:</b> Material Changes .....	2
<b>Item 3:</b> Table of Contents (this page) .....	3
<b>Item 4:</b> Advisory Business .....	4
<b>Item 5:</b> Fees and Compensation .....	10
<b>Item 6:</b> Performance-Based Fees and Side by Side Management .....	14
<b>Item 7:</b> Types of Clients .....	16
<b>Item 8:</b> Methods of Analysis, Investment Strategies and Risk of Loss .....	15
<b>Item 9:</b> Disciplinary Information .....	21
<b>Item 10:</b> Other Financial Industry Activities and Affiliations .....	22
<b>Item 11:</b> Code of Ethics, Participation or Interest in Client Transactions and Personal Trading .....	22
<b>Item 12:</b> Brokerage Practices .....	23
<b>Item 13:</b> Review of Accounts .....	25
<b>Item 14:</b> Client Referrals and Other Compensation .....	26
<b>Item 15:</b> Custody .....	26
<b>Item 16:</b> Investment Discretion .....	27
<b>Item 17:</b> Voting Client Securities .....	27
<b>Item 18:</b> Financial Information .....	29

## **Item 4: Investment Advisory Business**

Boston Common was founded in 2002 by Geeta B. Aiyer, CFA, who remains the majority shareholder. Boston Common is an SEC-registered investment adviser that provides discretionary investment management services in the areas of equity and balanced accounts to a variety of clients. Clients include charitable organizations, pension and profit sharing plans, state entities, taxable and tax-exempt institutional clients, high net worth individuals, commingled investment vehicles and mutual funds. All client portfolios are constructed with the aim of being consistent with the client's objectives and risk tolerances. Boston Common also provides services through wrap accounts sponsored by other investment advisers or broker-dealers, and in the form of a socially-screened model that third-party, unaffiliated advisers license and may use to make investment decisions on their clients' behalf.

Boston Common integrates Environmental, Social and Governance ("ESG") criteria into its investment process (as described below). Over the years, Boston Common has developed an extensive global network of contacts, including non-governmental organizations, regional social investment organizations, corporate social responsibility practitioners, social justice organizations and industry associations, which assist the firm in obtaining primary information on corporate activities in a wide range of locations. The firm also uses third-party ESG research providers in its stock selection process and may rely on this research in determining whether a particular company is in accordance with its clients' or funds' ESG guidelines. Through company dialogue and the shareholder resolution process, Boston Common voices shareholder concerns to management of select portfolio companies as part of the firm's efforts to encourage them towards greater transparency, accountability, and commitment to ESG issues. Clients with portfolios containing assets greater than certain thresholds established by Boston Common may customize the specific ESG guidelines that are applied to their portfolios.

### **A. Boston Common Separate Accounts**

Boston Common directly manages separate accounts in five broad investment strategies: Large Cap International Equities, Large Cap U.S. Equities, Global Equity, Emerging Markets, and Balanced Accounts. Clients' investment objectives, restrictions, and guidelines are considered, along with their respective risk profiles. Traditional investment research by both in-house staff and outside resources inform the portfolio management process. The firm attempts to raise the sustainability profile of its portfolios by seeking out companies with best-in-class ESG practices<sup>1</sup> as well as those that are finding innovative solutions to the problems of their industry. Boston Common assists clients' social missions through integrating sustainability research into the stock selection process, as well as through shareholder engagement, each driven by an in-house ESG research

---

<sup>1</sup> "Best in class" refers to companies whose Economic, Social and Governance practices are viewed by Boston Common as being superior when compared to other companies in the same industry. Please see Item 8 below for further details of sustainability criteria.

process. Further discussion can be found in Item 8: Methods of Analysis, Investment Strategies and Risk of Loss.

The firm also manages separate accounts for existing clients in socially-screened strategies that are sub-advised by an SEC-registered investment adviser, ClearBridge Investments (“ClearBridge”), which sub-advises an International Value Strategy. In addition, Boston Common offers and manages a small cap strategy that is sub-advised by Dalton, Greiner, Hartman, Maher & Co. (“Dalton Greiner”), an SEC-registered investment adviser.

## **B. Registered Investment Companies – Mutual Funds**

### **Boston Common International Fund**

On December 27, 2010, Boston Common launched an international mutual fund, the Boston Common International Fund, which is listed under ticker symbol BCAIX (“BCAIX”). BCAIX is one of a series of a master business trust named Professionally Managed Portfolios (the “Trust”). The Trust is a Massachusetts business trust registered with the U.S. Securities and Exchange Commission as an open-end investment company and is administered by U.S. Bancorp. The Trust engaged Boston Common to manage the Fund.

BCAIX generally invests at least 80% of its net assets, including borrowings for investment purposes, in equity securities of non-U.S. companies. Equity securities include common and preferred stocks, as well as securities that are convertible into common stocks. Equity securities also include American Depositary Receipts (“ADRs”), European Depositary Receipts and Global Depositary Receipts. Up to 20% of BCAIX’s total assets may be invested in securities of companies located in emerging markets. BCAIX typically invests in stocks with a market capitalization of \$2 billion USD or more. Quasar Distributors, LLC, a broker-dealer registered with the Financial Industry Regulatory Authority (“FINRA”) under the Securities and Exchange Act of 1934, distributes BCAIX. Boston Common compensates Quasar for its services as a distributor.

### **Boston Common U.S. Equity Fund**

On April 30, 2012, Boston Common launched a U.S. Equity mutual fund, the Boston Common U.S. Equity Fund, which is listed under ticker symbol BCAMX (“BCAMX”). BCAMX is one of a series of a master business trust named Professionally Managed Portfolios (the “Trust”). The Trust is a Massachusetts business trust registered with the U.S. Securities and Exchange Commission as an open-end investment company and is administered by U.S. Bancorp. The Trust engaged Boston Common to manage the Fund.

BCAMX generally invests at least 80% of its net assets, including borrowings for investment purposes, in equity securities of U.S. companies. Equity securities

include common and preferred stocks, as well as securities that are convertible into common stocks. BCAMX may also invest up to 20% of its total assets in American Depositary Receipts (“ADRs”). BCAMX typically invests in stocks with a market capitalization of \$2 billion USD or more. Quasar Distributors, LLC, a broker-dealer registered with FINRA under the Securities and Exchange Act of 1934, distributes BCAMX.

### **C. Private Commingled Vehicles**

In addition to the publicly-offered mutual funds described above, Boston Common offers sustainable equity management through private commingled vehicles which are only open to accredited investors. This means that the investor/purchaser must meet certain financial criteria to be eligible to purchase an interest in a private vehicle.

#### **Boston Common All Country International Strategy**

Boston Common manages a commingled international social strategy that seeks to achieve long-term capital appreciation by investing in a diversified portfolio of non-U.S. stocks of high quality companies that are selected with regard for both financial and sustainability criteria. The All Country International Strategy generally invests in stocks with equity capitalizations (including all classes) greater than \$2 billion USD. The All Country International Strategy primarily invests in stocks domiciled and traded in countries represented in the Morgan Stanley Capital International All Country World ex-U.S. (MSCI ACWI ex-US) Index.<sup>2</sup>

Boston Common considers ESG factors at every stage of its investment process in the All-Country International Strategy. Through rigorous analysis of financial and ESG factors, Boston Common seeks to identify innovative, attractively valued companies for investment.

The All Country International commingled strategy is open solely to accredited investors.

#### **Boston Common International Social Strategy**

Boston Common manages a commingled international social strategy that seeks to invest in a diversified portfolio of stocks of high quality, non-U.S. companies that are selected with regard for both financial and sustainability criteria. The

---

<sup>2</sup> The Morgan Stanley Capital International All Country World excluding U.S. Index is a free-float adjusted, market capitalization-weighted index of the largest publicly traded companies listed on the exchanges of developed and emerging market countries around the world, excluding U.S.-based companies.

International Social Strategy generally invests in stocks with equity capitalizations (including all classes) greater than \$2 billion USD. The International Social Strategy primarily invests in stocks domiciled and traded in countries represented in the Morgan Stanley Capital International Europe, Australasia, and Far East (MSCI EAFE) Index.<sup>3</sup> The International Social Strategy may also invest in stocks domiciled and traded in countries not represented in the MSCI EAFE Index. However, investments in emerging markets may not exceed 20% of the overall portfolio.

Boston Common considers ESG factors at every stage of its investment process in the International Social Strategy. Through rigorous analysis of financial and ESG factors, Boston Common seeks to identify innovative, attractively valued companies for investment.

The International Social commingled strategy is open solely to accredited investors.

### **Boston Common International Catholic Strategy**

Boston Common manages a commingled international Catholic strategy seeks to invest in a diversified portfolio of stocks of high quality, non-U.S. companies that are selected with regard for both financial and sustainability criteria, as well as including screens for life ethics issues. The International Catholic strategy generally invests in stocks with equity capitalization (including all classes) greater than \$2 billion USD. The International Catholic strategy primarily invests in stocks domiciled and traded in countries represented in the Morgan Stanley Capital International Europe, Australasia, and Far East (MSCI EAFE) Index. The International Catholic Strategy may also invest in stocks domiciled and traded in countries not represented in the MSCI EAFE Index, however, investments in emerging markets may not exceed 20% of the overall portfolio.

Boston Common considers ESG factors at every stage of its investment process in the International Catholic Strategy. Through rigorous analysis of financial and ESG factors, Boston Common seeks to identify innovative, attractively valued companies for investment.

The Boston Common International Catholic commingled strategy is open solely to accredited investors.

### **Boston Common Small Cap Strategy**

Boston Common manages a small cap strategy that provides a socially screened U.S. small capitalization stock portfolio screened according to ESG guidelines.

---

<sup>3</sup> The MSCI EAFE (Net) Index is a free-float adjusted market capitalization index that is designed to measure developed market equity performance in approximately 21 countries, excluding the U.S. and Canada. .

This strategy is sub-advised by Dalton Greiner Hartman Maher, a U.S. SEC-registered investment adviser. Boston Common pre-screens all purchases into the strategy in accordance with its social guidelines.

The Small Cap commingled strategy is open solely to accredited investors.

### **Boston Common International Sustainable Climate Strategy**

Boston Common manages an international sustainable climate strategy that seeks to achieve long-term capital appreciation by investing in a diversified portfolio of non-U.S. stocks of high quality companies, selected with regard for financial criteria, sound governance and a history of responsible, consistent financial management. The strategy seeks to avoid investing in companies engaged in the production, extraction, exploration, manufacturing or refining of fossil fuels.

Boston Common considers ESG factors at every stage of its investment process in the International Sustainable Climate Strategy. Through rigorous analysis of financial and ESG factors, Boston Common seeks to identify innovative, attractively valued companies for investment.

The International Sustainable Climate commingled strategy is open solely to accredited investors.

### **Boston Common Sustainable Emerging Markets Strategy**

Boston Common manages a sustainable emerging markets strategy that seeks to achieve long-term capital appreciation by investing in a diversified portfolio of non-U.S. stocks of high-quality companies that are selected with regard for both financial and sustainability criteria. The strategy's country allocation is based on the Morgan Stanley Capital International (MSCI) Emerging Markets Index<sup>4</sup>.

Boston Common considers ESG factors at every stage of its investment process in the Sustainable Emerging Markets Strategy. Through rigorous analysis of financial and ESG factors, Boston Common seeks to identify innovative, attractively valued companies for investment.

The Sustainable Emerging Markets commingled strategy is open solely to accredited investors.

---

<sup>4</sup> The **MSCI Emerging Markets (or "EM") Index** is a free float-adjusted market capitalization weighted index that is designed to measure equity market performance in the global emerging markets. The EM Index covers many emerging market country indices. Designation as an emerging market is determined by a number of factors. MSCI evaluates factors such as gross national income per capita; market depth and liquidity; local government regulations; perceived investment risk; foreign ownership limits and capital controls; and the general perception by the investment community when determining an "emerging" classification of a market.



Boston Common's Chief Compliance Officer reviews the compliance controls and policies of the sub-advisers, including but not limited to their practices regarding side-by-side management of accounts, trade allocation, soft dollar brokerage allocation, best execution, and managing conflicts of interest.

**D. Other**

**Sponsored Advisory Accounts**

Boston Common offers investment advisory services on a discretionary basis to clients of sponsoring broker-dealers or financial consultants who offer comprehensive brokerage, custodial and advisory services for a comprehensive "wrap fee," which is typically based on the amount of client assets under management. The sponsors of these wrap programs remit a portion of the fees to Boston Common. Boston Common's fees for providing investment advisory services to the sponsored accounts range from 0.7% to 1.0% of the assets that have been allocated to it for management. This range is determined between Boston Common and the sponsoring broker-dealer or financial consultant.

In these arrangements, Boston Common makes decisions regarding what securities should be bought and sold for the wrap client's account; the wrap sponsor selects the brokers that will effectuate the transactions. Boston Common is required to direct all brokerage transactions to the sponsoring broker-dealer. Execution prices are often less favorable than execution prices achieved in non-wrap accounts. Generally, Boston Common may terminate its participation in a wrap program upon thirty days notice. Please refer to Item 12 for a more complete discussion of the effects of Directed Brokerage.

**Model Portfolio License Agreements – Third Party Platforms**

Boston Common's services are also offered on third-party platforms managed by other investment advisers. In these cases, Boston Common does not make any investment decisions on behalf of these accounts, but provides a Model Portfolio that the client's manager may use to invest client accounts. Boston Common refers to these advised accounts as "Licensed Model Portfolio Assets."

**Principal Owner**

Geeta B. Aiyer is the Founder, President and principal owner of Boston Common.

## **Assets under Management**

As of December 31, 2014, Boston Common managed approximately \$2billion in assets, including sub-advised assets. In addition, it advised, on a non-discretionary basis, approximately \$73 million in Licensed Model Portfolio Assets.

## **Item 5: Fees and Compensation**

Generally, clients are charged advisory fees based on a specified percentage of their assets under management, assessed quarterly. “Assets under Management” means the market value of all securities and cash over which Boston Common has investment discretion. “Assets under Advisement” means Licensed Model Portfolio Assets, where the assets are managed by third-party advisers and Boston Common provides a social model that the adviser may apply. Boston Common receives a fee based on the assets in the account.

Boston Common’s current practice is generally to bill in advance based on the client’s assets under management on the last day of the previous calendar quarter. If an advance-bill client’s account is terminated in the middle of a quarter, all pre-paid but unearned fees are returned and Boston Common retains a pro-rated amount of fees. When a client opens an account in the course of a quarter, the client will be charged a pro-rated fee for the quarter based on the beginning account balance. Some of Boston Common’s clients are billed in arrears, with the value of client assets being determined on the last day of the quarter. If a client that is billed in arrears terminates an account in the middle of the quarter, Boston Common will charge the client a pro-rated fee. In most instances, management fees are directly debited from the client accounts.

In the case of certain commingled vehicles, noted below, Boston Common pays for the administrative costs associated with the commingled vehicle, including custody costs. In the case of accounts advised by Boston Common but sub-advised by third-party sub-advisers, Boston Common’s fee includes the sub-adviser’s fee.

## **MANAGEMENT FEES**

Boston Common’s standard annual asset-based fee schedule and minimum account sizes are generally as follows:

### **A. Boston Common Separate Accounts**

#### **U.S. Equity and Balanced Accounts Annual Fees**

Initial \$2 Million - 0.90%

Next \$8 Million - 0.70%

Next \$10 Million - 0.50%

Next \$30 Million - 0.40%

Balance – 0.30%

Minimum Client Relationship Size

\$3 Million

Minimum Account Size

\$1 Million

**International (EAFE) and Global (ACWI) Annual Fees**

Initial \$10 Million - 0.90%

Next \$10 Million - 0.70%

Next \$30 Million - 0.50%

Balance – 0.40%

Minimum Account Size

\$5 Million

**International (ACWI x U.S.) Annual Fees**

Initial \$10 Million - 0.95%

Next \$10 Million - 0.75%

Next \$30 Million - 0.55%

Balance – 0.45%

Minimum Account Size

\$10 Million

**Emerging Markets (EM) Annual Fees**

Initial \$2 Million – 1.20%

Next \$3 Million – 1.00%

Next \$10 Million – 0.90%

Next \$15 Million – 0.80%

Balance – 0.70%

Minimum Account Size

\$1,000,000

**Separate International & Global Equity Accounts Sub-Advised  
by ClearBridge**

Initial \$10 Million - 1.00%

Next \$10 Million - 0.90%

Next \$30 Million - 0.70%

Negotiable thereafter

Minimum Investment

This strategy is closed to new investors.

**B. Mutual Fund**

**Boston Common International Fund (BCAIX)**

Annual Fee (does not include custody or other fees and expenses)

Management fee - 0.90%

Minimum Investment:

\$100,000

**Boston Common U.S. Equity Fund (BCAMX)**

Annual Fee (does not include custody or other fees and expenses)

Management fee - 0.90%

Minimum Investment:

\$100,000

**C. Private Commingled Strategies**

**Directly Managed**

**a. Boston Common All Country International**

Benchmark: MSCI ACWI xU.S. Index

Annual Fee (includes custody costs)

Initial \$2 Million - 1.05%

Next \$3 Million - 0.85%

Next \$10 Million – 0.75%

Next \$15 Million - 0.65%

Balance - 0.55%

Minimum Account Size

\$2 Million

*Available solely to accredited investors.*

**b. Boston Common International Social**

Benchmark: MSCI EAFE Index

Annual Fee (includes custody costs)

Initial \$2 Million - 1.00%

Next \$3 Million - 0.80%

Next \$10 Million – 0.70%

Next \$15 Million - 0.60%

Balance - 0.50%

Minimum Account Size  
\$2 Million

*Available solely to accredited investors*

c. **Boston Common International Catholic SRI**  
Benchmark: MSCI EAFE Index

Annual Fee (includes custody costs)  
Initial \$2 Million - 1.00%  
Next \$3 Million - 0.80%  
Next \$10 Million - 0.70%  
Next \$15 Million – 0.60%  
Balance - 0.50%

Minimum Account Size  
\$1 Million

*Available solely to accredited investors.*

d. **Boston Common International Sustainable Climate**  
Benchmark: MSCI ACWI x U.S. Index

Annual Fee (includes custody costs)  
Initial \$2 Million – 1.05%  
Next \$3 Million – 0.85%  
Next \$10 Million – 0.75%  
Next \$15 Million – 0.65%  
Balance – 0.55%

Minimum Account Size  
\$1,000,000

e. **Boston Common Emerging Markets (EM)**  
Benchmark : MSCI EM Index

Annual Fee (includes custody costs)  
Initial \$2 Million – 1.20%  
Next \$3 Million – 1.00%  
Next \$10 Million – 0.90%  
Next \$15 Million – 0.80%  
Balance – 0.70%

Minimum Account Size  
\$1,000,000

*Available solely to accredited investors.*

**Sub-advised by a Third-Party Adviser**

**a. Boston Common Small Cap**

Benchmark: Russell 2000 Index

Annual Fee (includes custody costs)

Initial \$5 Million - 1.10%

Balance – 1.00%

Minimum Account Size

\$250,000

*Available solely to accredited investors.*

In some cases, fees for clients are negotiated and may vary from those stated above. Fees for some accounts may be higher or lower than those stated in the standard fee schedule above, depending on account size and the services to be rendered. There are also instances where Boston Common may waive account or relationship minimums in certain circumstances. Boston Common also manages “courtesy accounts” for which no management fees are charged.

**D. Wrap Fee Accounts**

Boston Common offers investment advisory services on a discretionary basis to clients of sponsoring broker-dealers or financial consultants who offer comprehensive brokerage, custodial and advisory services for a comprehensive “wrap-fee,” which is typically based on the amount of client assets under management. No Boston Common personnel or affiliates are sponsors of wrap-fee programs. The wrap program sponsors remit a portion of the fees to Boston Common. Boston Common’s fees for providing investment advisory services to the sponsored accounts range from 0.70% to 1.00% of the assets that have been allocated to it for management. This range is determined by Boston Common and the sponsoring broker-dealer or financial consultant. Fees are generally due quarterly, payable in advance. All prepaid, unearned fees are refunded on a pro-rata basis when the client closes the account. Generally, Boston Common may terminate its participation in a wrap program upon thirty days’ notice. Under the wrap-fee arrangements, the financial intermediaries deliver Boston Common’s Form ADV Part 2A and 2B to the client.

In these arrangements, Boston Common is required to direct all brokerage transactions to the sponsoring broker-dealer. In these arrangements, execution prices are often less favorable than execution prices achieved in non-wrap accounts. Please refer to Item 12 for a more complete discussion of the effects of Directed Brokerage.

**E. Model Portfolio License Agreements**

Boston Common also provides services on third-party platforms managed by other investment advisers. In these cases, Boston Common does not make any investment decisions on behalf of these accounts, but provides a Model Portfolio that the client's manager may use to invest client accounts. In these arrangements, Boston Common receives a fee ranging between 0.25% and 0.50%, based on the amount of the assets in the account. These accounts generally are billed quarterly in arrears, with the value of client assets being determined on the last day of the quarter. If a client that is billed in arrears terminates an account in the middle of the quarter, Boston Common will charge the client a pro-rated fee.

**F. Soft Dollars and Commission Recapture**

Boston Common receives benefits, including research products and services, through its trading relationships with certain brokers in consideration for commissions paid by clients. This causes the price the firm pays in a securities transaction to be higher than the lowest possible execution price. Please refer to Item 12 for a more complete discussion of Boston Common's use of soft dollars.

**Fee Summary**

Advisory fees paid to Boston Common do not include all of the fees a client pays in connection with the management of their portfolio. Some of these fees may be billed by other service providers or embedded in their transaction pricing. Additional fees and expenses may include, but are not limited to: (1) custodial charges (except as specified above); (2) brokerage fees, commissions and other related transaction costs and expenses; (3) governmental charges, taxes and duties; and (4) transfer fees, registration fees and other expenses associated with buying, selling or holding investments, such as wire transfer and electronic funds transfer fees. These fees are generally deducted from the client's account. For additional information about brokerage and other transaction costs, please refer to the section entitled "Brokerage Practices" in Item 12.

<b>Item 6: Performance-Based Fees and Side by Side Management</b>
---

**Side-By-Side Management Disclosures**

Even though Boston Common does not charge performance-based fees, it has different fee structures and some clients pay a higher fee for management services. This creates an incentive for Boston Common to favor those accounts in order to increase its compensation. Additionally, some of Boston Common's principals and/or employees have made personal investments in the firm's products, including the Boston Common mutual funds. This also creates an incentive for Boston Common to favor those accounts

over other accounts. Since the firm puts the interest of its clients first, it takes the following steps to address these conflicts:

- a. It discloses to clients the existence of material conflicts of interest, including the potential for the firm and its employees to earn more compensation from certain advisory clients;
- b. It has implemented policies and procedures for fair and consistent allocation of investment opportunities among all client accounts;
- c. It reviews trading; and
- d. It educates its employees regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients and equitable treatment of all clients, regardless of the fee arrangement.

## **Item 7: Types of Clients**

Boston Common provides investment advisory services to pension and profit sharing plans, high net worth individuals, charitable organizations, endowments, state and local entities, taxable and tax-exempt institutional clients, private commingled vehicles and mutual funds.

Boston Common has established account minimums for individually managed client accounts and its various investment vehicles. Please refer to the fee tables in Item 5. The firm may, however, waive the minimums at its discretion, based on, but not limited to, such factors as a pre-existing relationship with the client, the potential for additional growth or contributions to the account, or for specific products.



## **Item 8: Methods of Analysis, Investment Process and Risk of Loss**

### **I. In-House Strategies--Methods of Analysis and Investment Process**

#### **A. Screening the Investment Universe**

Boston Common begins the equity selection process by creating a diversified monitor list of what the investment team believes are high-quality stocks. For U.S. strategies, Boston Common starts with the investable universe of U.S. stocks with market capitalizations above \$2 billion USD. For the International and Global strategies, it constructs a monitor list of securities drawn from the MSCI EAFE and ACWI ex-U.S. benchmark, adjusted later in the process for international portfolios using the MSCI EAFE benchmark and the universe of emerging market ADRs and Ordinaries. For the Emerging Markets strategy, it constructs a monitor list of securities drawn from the MSCI EM benchmark. Boston Common screens these lists using statistical metrics such as capitalization, liquidity, profitability, and leverage as well as environmental, social and governance (ESG) criteria. These screens exclude companies that have consistently lost money, that have taken on unsustainable levels of debt, or that have experienced such volatile operating performance that Boston Common would not be confident in making projections about their future profitability. Boston Common further excludes from the list companies whose business models the investment team considers unsustainable and whose financial reporting and managerial accountability Boston Common considers untrustworthy.

Boston Common has also created proprietary data sets reflecting the ESG characteristics of a broad set of global companies. This information is used in the preliminary screening of the investment universe. Based on the result of the preliminary screening process, Boston Common adds to the monitor lists a selection of mid-sized companies in areas with high ESG impact in order to restore sufficient diversification. This process produces a monitor list of stocks that Boston Common views as high-quality.

#### **B. Stock Selection and Portfolio Construction**

Boston Common's research next focuses on identifying individual stocks from the monitor list that appear to be trading at a discount to intrinsic value and to have potential catalysts to realizing that value over the next 12-18 months. To manage risk, Boston Common quantifies reasonable downside, based on historical analogs and on the intrinsic value that would be justified in alternative scenarios.

Boston Common looks at developments across an industry to understand fundamental factors such as pricing trends, product cycles, supply-demand imbalances, and the potential for consolidation. Through this process, it identifies individual companies that appear to provide the most opportunity and, by extension the most attractive sectors and industries available in the markets.

Boston Common forms an outlook for each stock under investigation and models expected outcomes. In addition, the investment team assesses the projections made by Wall Street securities analysts to better understand what expectations are built into the current stock price and to assess whether the company can meet or exceed them.

The measures Boston Common uses to understand a company's fundamentals and valuation vary by industry. Boston Common uses a variety of information to build a valuation model appropriate for the nature of the company and industry, often by valuing a company's projected future cash flows discounted by its cost of capital. For a company with relatively stable earnings, Boston Common may use its price-to-earnings valuation relative to its history as an indicator of its upside potential.

The firm's stock selection produces a buy list for each of the investment strategies composed of stocks that the investment team believes are high quality and trade below their intrinsic value. Global portfolios draw on selected stocks from the buy lists of the U.S. and international strategies. Using these stocks, Boston Common builds model portfolios, which are then customized for specific client guidelines and objectives as appropriate.

When all else is equal, Boston Common prefers to weight holdings according to its fundamental conviction in the entities' attractiveness and according to the predictability of their business models. Boston Common will typically buy a position of up to three percent in securities that the investment team believes offer the most opportunity, or possibly a greater amount for an attractive stock that comprises a large proportion of the portfolio's benchmark. Boston Common generally does not establish positions of greater than five percent in a particular issuer.

Boston Common manages broadly-diversified portfolios with exposure to the major sectors and, for international portfolios, geographical regions of the market. The investment team determines sector allocation by evaluating the macro-economic environment, the fundamental outlook of each sector and its constituent stocks, and both sector-level and stock-level valuation. The firm's analysts drive some of the allocation decisions by identifying industries with the most opportunity and generating stock ideas within them.

The firm typically maintains major sector weights within a band of 50% to 200% of the corresponding sector weights in the portfolio's benchmark, and will rebalance as necessary to meet those guidelines. Boston Common manages risk in its International, Global and Emerging Markets strategies on a geographic basis, maintaining diversified exposure to the major regions in MSCI EAFE, ACWI, ACWI ex U.S. and MSCI EM Indexes, depending on the product. In addition to its Emerging Markets strategy, Boston Common typically maintains and monitors a tactical allocation to emerging markets in its international and global strategies.

Boston Common also manages balanced accounts. Debt instruments and preferred stocks may be purchased in balanced accounts and, where permitted by investment guidelines, in equity accounts. Accounts may be invested in convertible preferred stock where this type of stock is deemed more attractive than common stock.

Community bank certificates of deposit and community loan funds may be selectively used in client accounts where requested and appropriate, given client investment and ESG guidelines.

### **C. Sustainability Criteria**

Boston Common proactively seeks to identify companies with strong ESG profiles. Boston Common evaluates companies on environmental issues, looking for organizations that demonstrate a high level of environmental responsibility and understand that natural resources are limited. Boston Common favors companies that conserve natural resources, reduce volume and toxicity of waste generated, and that manage direct and indirect greenhouse gas emissions. Boston Common assesses a company's commitment to social standards, including human rights, animal welfare, workplace health and safety, and fair treatment of global employees. Boston Common also examines whether a company's standards for its vendors broaden the impact of its policies. Boston Common looks for companies with a demonstrated overall high level of accountability to all stakeholders, including providing safe, desirable, high-quality products or services and marketing them in responsible ways. It appraises companies' adherence to best practices in governance, including policies favoring transparency and accountability to shareholders, and demonstrating a commitment to diversity.

## **II. Sub-Advised Strategy**

In the sub-advised strategy described below, the sub-adviser submits its investment selections to Boston Common for comprehensive social screening before adding an investment to its portfolio.

### **A. Boston Common Small Cap Vehicle**

In advising the Boston Common Small Cap commingled vehicle, sub-adviser Dalton Greiner seeks long-term appreciation. In general, it purchases U.S. stocks with market capitalizations of less than \$2 billion. It chooses stocks which it believes are likely to appreciate more than the Russell 2000 Value Index.<sup>5</sup>

---

<sup>5</sup> The Russell 2000 Value Index measures the performance of the small-cap value segment of the U.S. equity universe. It includes those Russell 2000 Index companies with a lower price-to-book ratios and lower forecasted growth values. The Russell 2000 Index is an unmanaged index comprised of the 2,000 smallest of the 3,000 largest of U.S. companies, based on market capitalization.

### **III. Risk of Loss**

All investments in securities involve risk. It is possible that client investment objectives will not be achieved or that clients will lose all or a portion of their investments. The risks investors face include the following:

- **Market Risk:** All securities investments are subject to changes in the market place. At times, movements in the market can be significant, which will cause the value of an investor's account to change. An example of this occurred in 2008, when the economy and the markets experienced significant turbulence that led to significant and broad-based decreases in the value of investors' portfolios. In 2011, markets were also very volatile. Continued financial instability in the Eurozone may have a broad reach, increasing international market risk, including the risk of investing in U.S.-based securities.
- **Investment Selection Risk:** Boston Common's analysis of an investment may be incorrect and may result in selections of investments that suffer losses or underperformance relative to other investments.
- **Foreign Securities Risk:** Foreign securities, including ADRs, are subject to increased risks relating to adverse political, social and economic developments abroad. Foreign risks also include differences between U.S. and foreign regulatory requirements and market practices. In addition, foreign securities may be less liquid and harder to value than securities of U.S. issuers. Continued volatility in the Eurozone and financial instability in the region pose additional risks for investments in international securities.
- **Emerging Market Risk:** The foreign securities risks are more significant for issuers in emerging market countries. Additional risks include immature economic structures and more thinly-traded securities markets.
- **Currency Risk:** The value of foreign currencies relative to the U.S. dollar fluctuates in response to adverse market, political, social and economic developments abroad. A decline in the value of a foreign currency versus the U.S. dollar reduces the value in U.S. dollars of investments denominated in that foreign currency.
- **ADR Risk:** ADRs may be subject to many of the risks associated with investing directly in foreign securities. These include foreign exchange risk connected with political and economic risks of the underlying issuer's country. ADRs may involve additional risks, such as the risk that the sponsoring bank fails to support the ADRs it issues. Also, the price movements of ADRs may not track perfectly those of the underlying foreign security.
- **Large Companies Risk:** Larger, more established companies may be unable to respond quickly to new competitive challenges like changes in consumer tastes. Also, large-cap companies are sometimes unable to attain the high growth rates of successful, smaller companies, especially during extended periods of economic expansion.

- **Small Companies Risk:** Smaller, less established companies may be subject to greater variations in stock price, depending on a variety of factors. They may have smaller, less diversified product or service lines, limited capital or other resources, and less experienced or smaller managements. Small companies may be more susceptible to being negatively affected by economic downturns in comparison to large capitalization companies.
- **Growth Company Risk:** The market price of stocks of growth companies may be more volatile and susceptible to fluctuations based on company earnings than market prices of other companies. Growth company stocks may underperform stocks of other companies when growth stocks are out of favor in the market.
- **Value Company Risk:** The stocks of value companies can remain undervalued by market measures for long periods and fail to realize their expected value. Value company stocks may underperform stocks of other companies when value stocks are out of favor in the market.
- **Credit Risk:** The issuer of a fixed-income security could default on its obligation to pay principal and/or interest or its credit rating could be downgraded. This risk is higher for fixed-income securities that are rated below investment grade.
- **Interest Rate Risk:** As interest rates rise, the value of fixed-income securities is likely to decrease. Securities with longer durations tend to be more sensitive to changes in interest rates, and are usually more volatile than securities with shorter durations.

**Sustainability (ESG) Policy Risk:** Boston Common's ESG policy could cause its clients' accounts to perform differently compared to similar accounts that do not have such a policy. Its ESG policy may result in Boston Common foregoing opportunities to buy certain securities. Boston Common may vote proxies in a manner consistent with ESG guidelines, which may not always be consistent with maximizing short-term performance of the issuer.

- **Sub-Adviser Risks:** Most of the above risks apply to the sub-advisers. In addition, because the sub-advisers invest in global and international products, financial stability of their firms might be negatively impacted by political and financial events outside the U.S.

## **Item 9: Disciplinary Information**

Rule 206(4)-4 under the Advisers Act requires investment advisers to disclose any legal or disciplinary activities a client might reasonably want to know when deciding whether to hire the adviser. Neither Boston Common nor its personnel have any disciplinary, administrative, regulatory, criminal, civil, or otherwise reportable history to disclose.

## **Item 10: Other Financial Industry Activities and Affiliations**

Boston Common is an investment adviser to two mutual funds, the Boston Common International Fund & the Boston Common U.S. Equity Fund, which are two of a series of Professionally Managed Portfolios, a Massachusetts business trust registered with the U.S. Securities Exchange Commission as an open-end management investment company and administered by U.S. Bancorp.

Boston Common may also select sub-advisers for its private commingled strategies. As of December 31, 2014, Boston Common's only sub-advised private commingled strategy is the U.S. Small Cap strategy.

## **Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

As described in Item 7, Boston Common is an investment adviser to different types of clients. Boston Common may give advice and make different investment decisions for client accounts than it makes for its own account or for "access persons," as that term is defined by the 1940 Act or the Advisers Act. Since these situations may involve potential conflicts of interest, Boston Common has adopted a Code of Ethics that sets forth the ethical standards of the firm.

### **Code of Ethics**

As required by Rule 204A-1 under the Advisers Act and Rule 17j-1 under the 1940 Act, Boston Common has adopted a Code of Ethics that sets forth the basic policies of ethical conduct for all managers, officers, and employees of the firm. The Code of Ethics describes the firm's fiduciary duties and obligations to clients and, among other things, sets forth the firm's practice of supervising the personal securities transactions of employees.

The firm and/or its employees may purchase or sell investments for their personal accounts which have been recommended to clients. The firm collects, maintains and reviews records of securities holdings and transactions made by employees. All employees are required to report their personal securities trades on a quarterly basis, and their holdings on an annual basis, to the Compliance Department. Duplicate copies of periodic brokerage statements are submitted to the firm electronically via our automated compliance system, Compliance Science for review. At least quarterly, the Compliance Department reviews employees' personal trades to identify potential or actual conflicts of interest. Employees who violate the reporting requirements of the Code may be fined.

Employees receive annual training on insider trading, ethical and professional conduct, social media usage, political contributions, and the importance of maintaining client confidentiality. The firm conducts conflicts of interest and insider trading checks by requiring employees to disclose connections that they and their immediate family have with public entities, including board memberships. In order to prevent even the



appearance of partiality in dealing with vendors and others with whom Boston Common does business, employees are required to report all gifts and entertainment above \$50 provided by or to any entity that does business with, or that seeks to do business with, the firm. Employees may not receive gifts or entertainment in excess of \$200 a year without pre-approval by the Chief Compliance Officer.

A copy of Boston Common's Code of Ethics is available upon request for clients and prospective clients by contacting the Chief Compliance Officer at 617-720-5557.

## **Item 12: Brokerage Practices**

### **Selection of Brokers**

Boston Common recognizes that brokerage is the property of the clients, and as such, is to be allocated to broker-dealers in a manner that serves the interests of the clients. It also recognizes an ongoing duty to ensure the quality of transactions by seeking to obtain best execution, minimize transaction costs and use client brokerage to benefit clients. While the firm endeavors to obtain the best combination of price and execution for its clients, "best execution" does not necessarily mean it will pay the lowest commission or spread.

The firm seeks competitively priced brokerage services where the broker-dealer can provide value-added, company-specific, and thematic industry research, including meetings with management and conferences. The additional factors Boston Common reviews in selecting a broker-dealer include, but are not limited to:

- the liquidity of the market in a security;
- financial stability of the broker-dealer;
- promptness of execution;
- quality of settlement;
- the broker's ability to handle a desired block;
- efficiency in clearing and settling trades.

### **Trade Aggregation and Allocation**

When decisions are made to buy or sell the same security simultaneously for a number of accounts, Boston Common may aggregate the purchase or sale into a single trade order (an "aggregated" trade) if it deems this to be appropriate and in the best interests of the accounts involved. Aggregated trades may facilitate best execution, including negotiating more favorable prices, obtaining more timely or equitable execution, or reducing overall commission charges.

When an aggregated order is filled in its entirety, each account participating in the aggregated order will participate at the average share price for the aggregated order. Transaction costs shall be shared pro-rata based on each account's participation in the aggregated order. If an order cannot be completely filled and the investment opportunity is determined to be equally suitable and appropriate for more than one account,

allocations will generally be made pro-rata, subject to rounding to achieve round lots, based upon the initial amount requested for an account participating in the aggregated order. Each account participating in a particular aggregated trade will receive the share price with respect to that aggregated order or, as appropriate, the average share price for all executed aggregated trades on that trading day. Boston Common may allocate on a basis other than pro-rata if, under the circumstances, such other method of allocation is reasonable, does not result in any improper or undisclosed advantage or disadvantage to other accounts, and results in fair access over time to trading opportunities for all eligible accounts.

At times, additional ESG suitability or tax-related analyses need to be performed for clients. As a result, trades for these accounts may be made days or weeks after other clients' trades in the same securities. This may result in a different execution price being achieved for trades in these customized accounts, which may be better or worse than the trades implemented for client accounts that are not customized.

### **Directed Brokerage**

Some clients designate a particular broker or dealer through which trades are to be made ("directed trades"). In addition, wrap-fee arrangements generally require Boston Common to direct all brokerage transactions to the sponsoring broker-dealer. Where a client directs trades, Boston Common is not able to negotiate commission rates or spreads, and is not able to obtain the same execution it receives for other clients. Directed trades are not aggregated with other clients' orders, and are placed after the completion of non-directed trades. The prices for directed trades are not aggregated with the prices for non-directed trades. This means that directed-trade clients may receive worse prices than non-directed clients receive. Additionally, clients who direct trades to a particular broker or dealer often pay higher commissions, greater spreads, or receive less favorable net prices than they would if Boston Common were able to select brokers or dealers.

### **Soft Dollars**

Boston Common may cause an advisory client's account to pay a higher commission to a broker-dealer that provides brokerage and research services to the firm in a "soft-dollar" arrangement. It does this when it determines in good faith that the higher commission is reasonable in relation to the value of the brokerage and research services provided by the executing broker. As noted above, in selecting brokers, Boston Common seeks brokerage services where the broker-dealer can provide value-added, company-specific, and thematic industry research, including meetings with management and conferences. However, it should be noted that where research products or services are provided through "soft dollar" arrangements, there is a conflict between Boston Common's interests and its clients' interests. This is because Boston Common does not have to pay for the research, research products and services which are paid for by soft-dollar credits generated by client transactions. This gives Boston Common an incentive to trade with particular brokers to obtain these products and services. Boston Common seeks to mitigate this conflict of interest by ranking the broker-dealers according to established



criteria. These rankings are reviewed by the Trading Committee, which determines how brokerage and soft dollars are allocated.

In 2014, Boston Common used soft dollars to obtain third-party research and services including but not limited to information about the stock market, industry trends, company-specific information, market analyses, meetings with management and conferences.

A particular client may not receive a direct benefit from Boston Common's use of that client's commission dollars to obtain soft dollar benefits. For example, a client invested solely in U.S. securities would not benefit from research on foreign markets that Boston Common obtained through soft dollars. Likewise, a client invested only in international securities would not benefit from research on U.S. markets obtained through soft dollars.

### **Item 13: Review of Accounts**

Boston Common's portfolio managers and analysts review advisory accounts for performance and consistency with the client's investment strategy and objectives. Formal portfolio reviews occur every 12 – 24 months, but managers and analysts follow their clients' accounts more frequently. In addition, the firm's Investment Committee reviews client portfolios and holdings continuously to evaluate portfolio composition, industry status and risks, and consistency of the portfolio with the clients' investment strategy and objectives.

Significant market and political events, changes in an account's investment goals and objectives, or other financial circumstances, may trigger an unscheduled review. In its weekly meetings, or on an *ad hoc* basis, the Investment Committee will analyze the potential impact of significant events or review changes in the client's objectives and take appropriate action.

Boston Common's ESG Research Team conducts reviews of the holdings in client accounts at least annually to ensure compliance with applicable social guidelines. The ESG Team will also analyze the potential impact of any controversial news event or changes in a company's environmental, social, or corporate governance record. This may trigger an unscheduled review of clients' accounts to determine if investment action is required.

Clients receive account statements directly from their custodians. In addition, Boston Common sends its clients written quarterly performance reports showing their accounts' market value, asset allocation, and investment performance. In its account statements, Boston Common urges its clients compare the information in those quarterly reports to information received directly from the custodian of the client's account.

## **Item 14: Client Referrals and Other Compensation**

### **Referral Fees Disclosures**

Third-party solicitors are paid for client referrals. This creates a conflict of interest because the solicitor might refer a client to Boston Common in order to receive a fee from Boston Common, even if the firm's advisory services were not as well suited for the client as another adviser might have been. As these situations represent a conflict of interest, Boston Common has established the following restrictions in order to ensure that it fulfills its fiduciary responsibilities to its clients:

- All such referral fees are paid in accordance with the requirements of Rule 206(4)-3 of the Advisers Act and any corresponding state securities law requirements;
- If the client is introduced to Boston Common by an unaffiliated solicitor, the solicitor, at the time of the solicitation, will disclose the nature of the solicitor relationship and provide each prospective client with a copy of Boston Common's Form ADV Part 2A, together with a copy of the written disclosure statement disclosing the terms of the solicitation arrangement between Boston Common and the solicitor, including the compensation that the solicitor will receive from Boston Common; and
- All referred clients are screened to ensure that Boston Common's fees, services, and investment strategies are suitable for their investment needs and objectives.

## **Item 15: Custody**

Boston Common does not maintain or accept actual custody of client funds or securities. Nonetheless, Boston Common is deemed to have "custody" of certain client accounts within the meaning of Rule 206(4)-2 under the Advisers Act (the "Rule") because Boston Common directly deducts its fees or has authority to remit payments to third parties from these client accounts. Each client's custodian sends the client periodic account statements (generally on a quarterly basis). Clients should contact Boston Common's Manager of Portfolio Operations, immediately at 617-720-5557 if they do not receive account statements from their custodian at least quarterly.

Boston Common also has custody over certain client accounts within the meaning of the Rule because it has limited authority to withdraw or transfer assets from these accounts. An independent auditor, McGladrey LLP, conducts an annual surprise audit of Boston Common to determine whether it is complying with the Rule. The firm's most recent surprise audit was conducted in June 2014.

Since Boston Common serves as managing member of private funds, and because it has the right to debit fees or withdraw assets directly from these private funds, Boston Common is deemed to have custody over the private funds within the meaning of the Rule. To comply with the Rule, Boston Common provides each investor in a private fund

independently audited financial statements within 120 days following the private fund's fiscal year end. Investors in the private funds who do not timely receive audited financial statements should contact Boston Common's Chief Compliance Officer at 617-720-5557 promptly.

#### **Item 16: Investment Discretion**

Boston Common has discretionary authority over its clients' accounts. This means that the firm, and not the client, decides which securities to buy and sell. Clients may not restrict Boston Common's investment discretion, except in very limited instances in which the firm may take direction from a client to buy or sell a particular security, or not to do so.

Before making decisions on a client's behalf, Boston Common and the client enter into an investment management agreement in which the client gives Boston Common express permission to make investment decisions on the client's behalf. If the client is an entity, as opposed to an individual, Boston Common requires documentation that the individual(s) executing the investment management agreement has the authority to act on the entity's behalf.

In rendering investment management and advisory services to various funds and separately managed accounts, the firm may give advice or take action with respect to investments in securities that are different from advice given to or action taken for other clients. Similarly-managed portfolios may have different performance results for a variety of reasons, including but not limited to, the timing of sales of securities, the use of directed brokerage, client instructions, tax considerations, or the holding of token positions for advocacy purposes, as described below.

With client permission, Boston Common may maintain a token position of \$5,000 in a security in order to maintain an ESG engagement position that the firm has taken on behalf of client shareholders. As a result, the performance of such a client's account may differ from the accounts of otherwise similarly-managed clients.

#### **Item 17: Voting Client Securities**

Boston Common generally maintains the authority to vote client proxies as outlined in Rule 206(4) -6 under the Advisers Act. The firm votes proxies on behalf of clients who have not specifically decided to retain those responsibilities. The firm votes proxies for most accounts it manages directly, as well as proxies for accounts managed by third-party sub-advisers. The firm votes foreign proxies. Clients may request documentation of how their proxies were voted by contacting Boston Common's Chief Compliance Officer at 617-720-5557.

As a registered investment adviser, Boston Common has a legal and fiduciary duty to act in the best interest of each client as determined, among other things, by the client's investment objectives and the sustainability or ESG guidelines set out in the investment

management agreement. As a sustainable investment adviser, the firm engages in shareholder activism on behalf of clients, which includes proposing shareholder resolutions or commenting on actions proposed by a company's board of directors. It also engages in active dialogues with management on a variety of issues including environmental, social and corporate governance practices.

The firm's proxy voting guidelines are designed to promote, wherever possible, what the firm believes are the best global corporate governance practices. Among other things, these proxy guidelines advocate:

- increased board independence
- disclosure
- transparency
- management accountability to shareholders

The firm will generally oppose proposals that seek to expand the number of options, a repricing of options, or other actions that would, in the firm's view, result in excessive dilution of common shares.

There may be instances where the firm has a conflict of interest in voting proxies. This might happen, for example, if the company soliciting the proxy hires Boston Common as its investment adviser. A conflict could also arise if the client were a labor union whose position on a proposal was inconsistent with the interests of the company's other shareholders. In the event of a conflict, Boston Common's Investment Committee is consulted. Conflicts are also mitigated in that Boston Common has hired a third party proxy administrator, ISS, Inc. , to vote proxies according to specific, pre-determined guidelines that have been set out by Boston Common. ISS provides consistent, across-the-board voting on issues, and the adherence to these positions prevents Boston Common from making case-by-case decisions.

Boston Common does not commonly vote proxies for ERISA clients because plan fiduciaries usually retain this power. In the event the firm does vote proxies for an ERISA client, it will do so in the best financial interest of the ERISA client as required by ERISA. Due to these requirements, in performing proxy voting for ERISA plans, Boston Common may give less consideration to ESG factors than it might when voting proxies for non-ERISA clients.

Clients are generally not able to direct how Boston Common votes proxies; however clients are always entitled to see how their proxies have been voted by contacting the firm.

A copy of Boston Common's Proxy Policy and Procedures is available upon request by contacting Boston Common's Chief Compliance Officer at 617-720-5557.

## **Item 18: Financial Information**

Pursuant to Rule 206(4)-4 under the Advisers Act, investment advisers are required to disclose certain financial information about their business practices that might be important to a client's decision in choosing an investment adviser.

As of the date of this filing, Boston Common does not have any financial hardships or other conditions that might impair its ability to meet its contractual obligations to clients.

Boston Common does not require prepayment of more than \$1,200 in fees from any client six months or more in advance. Accordingly, it is not required to provide a balance sheet pursuant to this Item 18.