

Investment Risks and Options: The Climate Case and Beyond

Panelist:

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BOSTON COMMON

ASSET MANAGEMENT

Intentionally Designed Endowment Conference

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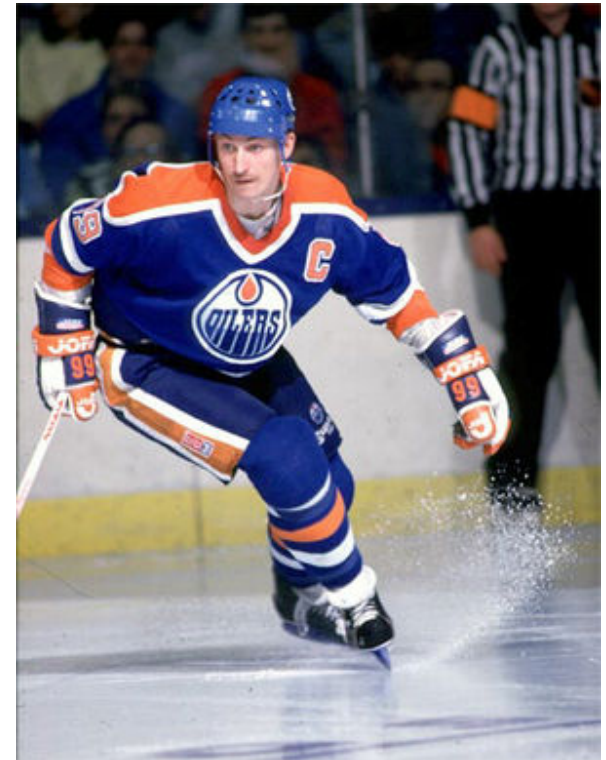
Investment Approach

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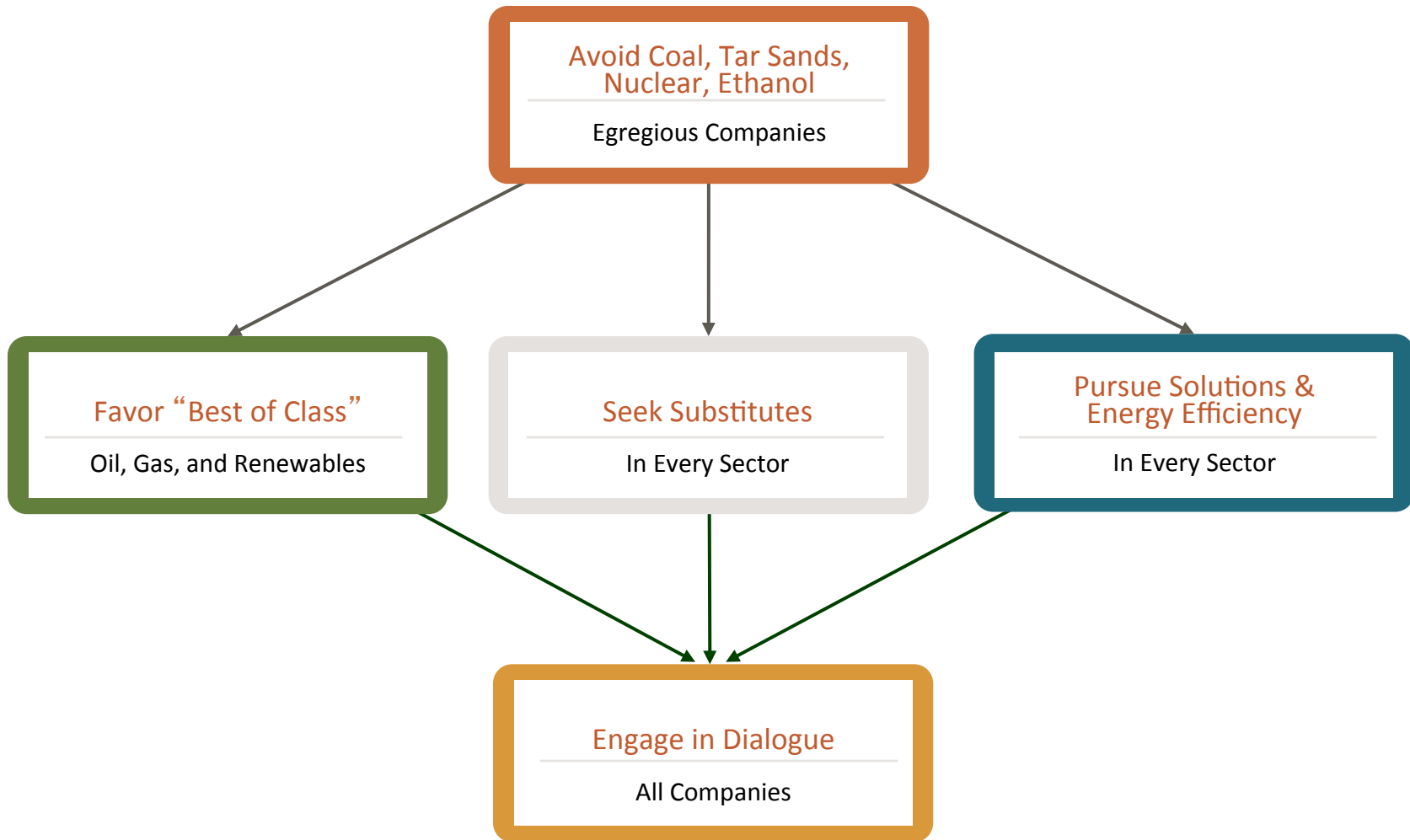
“I skate to where the puck is going to be, not where it has been.”

-Wayne Gretzky

- Investing is a long-term quest: looking for corroborating evidence
- Global sectors: leaders, laggards, casualties, beneficiaries
- Limits to Wall Street, materiality



Portfolio Construction: A Holistic Approach to Challenging Sectors

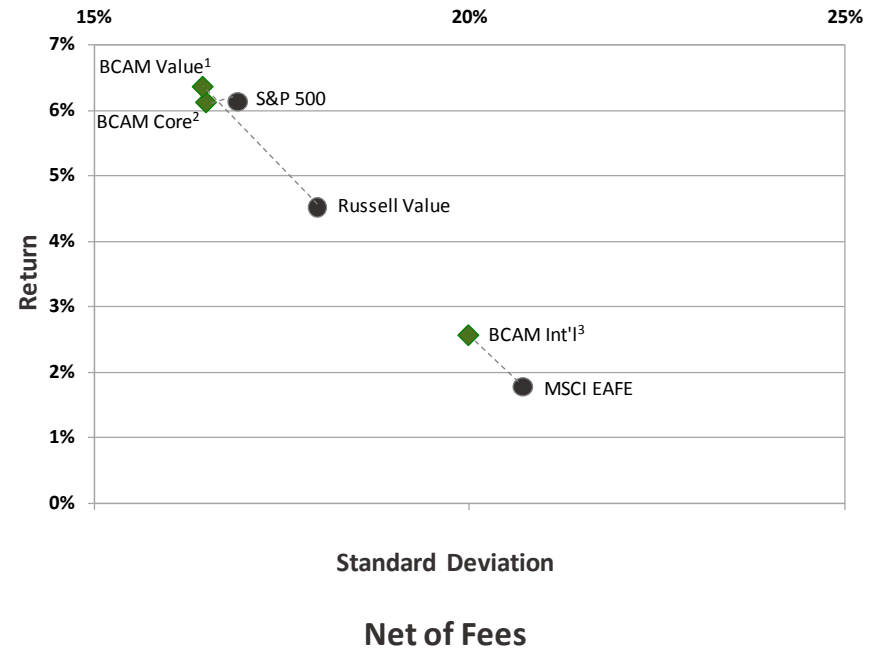
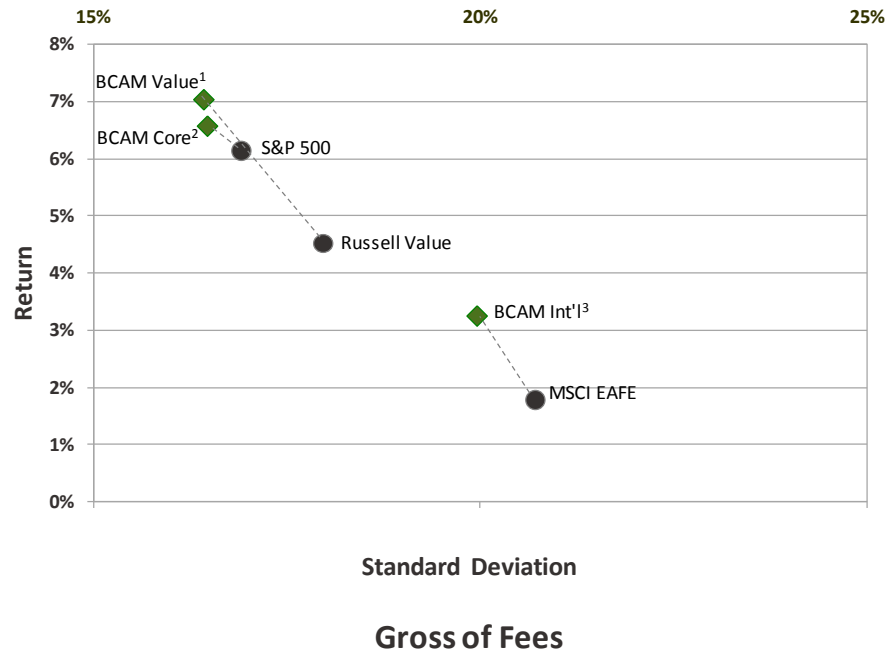


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Long-term Risk/Return

Annualized Returns – 7yrs ending 12/31/13

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1. BCAM Value represents data from the Tax-Exempt U.S. Large-Cap Value Equity Composite.
2. BCAM Core represents data from the Tax-Exempt U.S. Large-Cap Core Equity Composite.
3. BCAM Int'l represents data from the All Account International Equity Composite.

Returns and standard deviations are annualized based on monthly data. Periods greater than one year are annualized. Returns are calculated net of explicit trading expenses and withholding taxes, with interest and dividends accrued. Past performance does not guarantee future results. Boston Common claims compliance with the Global Investment Performance Standards (GIPS®). The S&P 500® Index is a broad market index of the 500 largest U.S. large cap companies. The Russell 1000 Value Index is a capitalization-weighted index of the 1000 largest publicly traded U.S. companies that have low price-to-book, price-to-earnings, and price-to-cash flow valuations relative to a broader universe of companies. The MSCI EAFE (Net) Index (the "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. & Canada. The Index's performance results are presented net of estimated foreign withholding taxes on dividends, interest, and capital gains. The withholding tax rates are applicable to Luxembourg holding companies. Indexes are unmanaged and do not incur management fees, transaction costs, or other expenses. The securities in the portfolio differ from those in the Index, which may cause a significant difference in returns. Supplemental Information: See full composite disclosure in Appendix.

Integrated ESG Performance

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- Same destination, different path
- Similar failings and successes
- Doubts about whether market benchmarks represent your opportunity cost



Future Outlook

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“The future ain’t what it used to be.”

-Yogi Berra

- Charged with investing under uncertainty
- Pressures of the present, salience of the long-term
- Investment guidelines to address the “four horsemen”: inflation, deflation, confiscation, devastation

