

## INTERNATIONAL OPPORTUNISTIC VALUE

## OVERVIEW

The GMO International Opportunistic Value Strategy seeks to generate total return by investing primarily in international equities. The Strategy measures its performance against the MSCI World ex-U.S.A. Index.

The Strategy aims to profit from our Asset Allocation team's top-down insights as to the most attractively valued segment of developed markets outside the U.S. Currently, the team finds developed, non-U.S. "deep value" (cheapest 20%) stocks to be unusually cheap relative to their own history. This actively managed Strategy concentrates exposure in the deep value segment by focusing on the international stocks that GMO's Systematic Equity team identifies as the most undervalued, using proprietary valuation models because we believe that relying on reported financials and index definitions of value may lead investors to misjudge the opportunity.

## FACTS

Strategy Inception	22-May-23
Composite Inception	31-May-23
Total Assets	\$375mm USD
Index	MSCI World ex USA

## CUMULATIVE TOTAL RETURNS (USD, NET OF FEES, %)

	<i>MTD</i>	<i>QTD</i>	<i>YTD</i>	<i>2023</i>
Composite	-0.78	-0.78	3.24	15.16
Index	-2.56	-2.56	2.79	11.01

## ANNUALIZED TOTAL RETURNS (USD, NET OF FEES, %)

	<i>1 Year</i>	<i>3 Years</i>	<i>5 Years</i>	<i>10 Years</i>	<i>ITD</i>
Composite	-	-	-	-	18.89
Index	-	-	-	-	14.11

## PORTFOLIO MANAGEMENT



**Simon Harris**  
Joined GMO in 1989  
BS, The City University  
(London)



**George Sakoulis**  
Joined GMO in 2020  
MA & PhD, University of  
Washington



**Warren Chiang, CFA**  
Joined GMO in 2015  
MBA, University of  
California Berkeley



**Tara Oliver, CFA**  
Joined GMO in 1996  
MBA, Amos Tuck School  
of Business  
Administration,  
Dartmouth College



**John Thorndike**  
Joined GMO in 2015  
AB, Bowdoin College

**Risks:** Risks Associated with investing in the Strategy may include, Market Risk-Equities, Management and Operational Risk, Non-U.S. Investment Risk, and Currency Risk. Returns shown for periods greater than one year are on an annualized basis. To obtain performance information to the most recent month-end, visit [www.gmo.com](http://www.gmo.com). **Performance Returns:** Performance data quoted represents past performance and is not predictive of future performance. Net returns are presented after the deduction of a model advisory fee and incentive fee if applicable. These returns include transaction costs, commissions and withholding taxes on foreign income and capital gains and include the reinvestment of dividends and other income, as applicable. Fees paid by accounts within the composite may be higher or lower than the model fees used. **GMO LLC claims compliance with the Global Investment Performance Standards (GIPS®).** A Global Investment Performance Standards (GIPS®) Composite Report is available on [GMO.com](http://GMO.com) by clicking the GIPS® Composite Report link in the documents section of the strategy page. GIPS® is a registered trademark owned by CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein. Actual fees are disclosed in Part 2 of GMO's Form ADV and are also available in each strategy's Composite Report. The portfolio is not managed relative to a benchmark. References to an index are for informational purposes only. The local market in which some accounts in the composite are priced was closed for Good Friday on March 29, 2024. Therefore, the performance for the strategy and corresponding benchmark will utilize March 28 for purposes of the ending valuation for the March return and the starting valuation for the April return.

## INTERNATIONAL OPPORTUNISTIC VALUE

## CHARACTERISTICS

	<i>Portfolio</i>	<i>Index</i>	<i>Alternate Index</i>
Price/Earnings - Forecast 1 Yr Wtd Mdn	9.2x	15.8x	11.4x
Price/Earnings - Hist 1 Yr Wtd Mdn	10.9x	19.2x	13.1x
Price/Book - Hist 1 Yr Wtd Avg	1.0x	1.8x	1.2x
Price/Cash Flow - Hist 1 Yr Wtd Mdn	6.2x	12.3x	7.3x
Return on Equity - Hist 1 Yr Mdn	12.1%	14.0%	11.4%
Debt/Equity - Wtd Mdn	0.7x	0.7x	0.9x
Dividend Yield - Hist 1 Yr Wtd Avg	4.5%	2.9%	4.3%
Market Cap - Wtd Mdn Bil	34.1 USD	46.2 USD	40.4 USD
Number of Equity Holdings	157	836	504

## MARKET CAP BAND EXPOSURES (\$B)

	<i>Portfolio</i>	<i>Index</i>	<i>Alternate Index</i>
Small (5.4 & Below)	6.7	4.4	5.2
Small - Medium (5.4 To 15.5)	23.4	17.3	18.9
Medium (15.5 To 40.4)	25.3	24.2	26.0
Medium - Large (40.4 To 111.8)	26.3	32.8	33.3
Large (111.8 & Above)	18.2	21.3	16.5

## TOP COUNTRIES (%)

<i>Country</i>	<i>Portfolio</i>	<i>Index</i>	<i>Alternate Index</i>
Japan	20.0	20.6	21.4
France	13.5	10.8	9.7
Canada	11.9	10.5	10.6
United Kingdom	11.4	13.6	15.5
Switzerland	6.2	8.2	7.3
Netherlands	6.1	4.5	2.7
Spain	5.0	2.4	3.6
Italy	4.6	2.5	3.6
Germany	4.5	7.7	8.9
Australia	3.7	6.4	6.3

## REGIONS (%)

<i>Region</i>	<i>Portfolio</i>	<i>Index</i>	<i>Alternate Index</i>
Europe ex UK (Developed)	48.1	45.7	43.0
Japan	20.0	20.6	21.4
Other International	19.5	20.1	20.1
United Kingdom	11.4	13.6	15.5
Cash Equivalents	1.0	0.0	0.0

## SECTORS (%)

<i>Sector</i>	<i>Portfolio</i>	<i>Index</i>	<i>Alternate Index</i>
Communication Services	4.2	3.6	4.3
Consumer Discretionary	9.9	11.2	7.2
Consumer Staples	5.4	8.2	5.0
Energy	10.1	5.9	10.1
Financials	31.9	21.1	31.5
Health Care	13.4	11.6	8.6
Industrials	13.2	16.5	12.9
Information Technology	2.3	8.9	1.8
Materials	7.1	7.6	8.9
Real Estate	2.6	2.1	3.7
Utilities	0.0	3.1	5.9

## TOP HOLDINGS

<i>Company</i>	<i>Country</i>	<i>Sector</i>	<i>%</i>
TotalEnergies SE	France	Energy	4.1
Roche Holding AG	Switzerland	Health Care	3.1
HSBC Holdings PLC	United Kingdom	Financials	3.0
BHP Group Ltd	Australia	Materials	2.8
Sanofi SA	France	Health Care	2.6
Toronto-Dominion Bank/The	Canada	Financials	2.1
BNP Paribas SA	France	Financials	2.0
Novartis AG	Switzerland	Health Care	1.8
Mercedes-Benz Group AG	Germany	Consumer Discretionary	1.7
Stellantis NV	Italy	Consumer Discretionary	1.6
<b>Total</b>			<b>24.8</b>

# INTERNATIONAL OPPORTUNISTIC VALUE

## IMPORTANT INFORMATION

**Index(es):** The MSCI World ex-USA Index (MSCI Standard Index Series, net of withholding tax) is an independently maintained and widely published index comprised of global developed markets, excluding the United States. MSCI data may not be reproduced or used for any other purpose. MSCI provides no warranties, has not prepared or approved this report, and has no liability hereunder.

The above information is based on a representative account in the Strategy selected because it has the fewest restrictions and best represents the implementation of the Strategy.

## GLOSSARY

**Sector Exposures:** The Global Industry Classification Standard (GICS) is the exclusive intellectual property of MSCI Inc. (MSCI) and Standard & Poor's, a division of The McGraw-Hill Companies, Inc. (S&P). Neither MSCI, S&P, nor any third party makes any representations or warranties, express or implied, with respect to GICS or the results to be obtained by the use thereof, and expressly disclaim all warranties, including of merchantability and fitness for a particular purpose. Neither MSCI, S&P, nor any third party shall have any liability for any damages of any kind relating to the use of GICS.

**Top Holdings:** Portfolio holdings are percent of equity. Where applicable, the top holdings are derived by looking through to the underlying portfolios in which the asset allocation strategy invests and, where appropriate, individual security positions are aggregated. They are subject to change and should not be considered a recommendation to buy individual securities. This portfolio continues to hold de minimis Russian exposure as a result of past positioning and ongoing illiquidity. GMO has suspended net new purchases of Russian securities firm-wide.

---

## ABOUT GMO

Founded in 1977, GMO is a global asset manager committed to delivering superior performance and advice to our clients. We are privately owned, which allows us to singularly focus on our sole business – achieving outstanding long-term client investment outcomes. Offering multi-asset, equity, fixed income, and alternative strategies, we invest with a long-term, valuation-based philosophical approach.

AMSTERDAM

BOSTON

LONDON

SAN FRANCISCO\*

SINGAPORE

SYDNEY

TOKYO\*\*

\*GMO's West Coast Hub is comprised of members of Investment, Global Client Relations, and other teams located in and around the Greater San Francisco area

\*\*Representative Office