

U.S. QUALITY

OVERVIEW

The GMO U.S. Quality Strategy seeks to generate total return by investing primarily in U.S. equities the Focused Equity team believes to be of high quality. The team believes that companies with established track records of historical profitability and strong fundamentals – high quality companies – are able to outgrow the average company over time and are therefore worth a premium price. The Strategy's disciplined approach uses both quantitative and fundamental techniques to assess the relative quality and valuation of global companies and aims to exploit a long-term investment horizon while withstanding short-term volatility.

FACTS

Strategy Inception	30-Jun-23
Composite Inception	30-Jun-23
Total Assets	\$533mm USD
Index	S&P 500

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

	<i>MTD</i>	<i>QTD</i>	<i>YTD</i>	<i>2023</i>
Composite	2.53	11.67	11.67	8.71
Index	3.22	10.56	10.56	8.04

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	-	-	-	-	21.40
Index	-	-	-	-	19.44

PORTFOLIO MANAGEMENT



Tom Hancock
Joined GMO in 1995
MS, Rensselaer
Polytechnic Institute;
PhD, Harvard University



Ty Cobb, CFA
Joined GMO in 1997
MS, Suffolk University



Anthony Hene, CFA
Joined GMO in 1995
MS, University of Oxford

Risks: Risks associated with investing in the Fund may include Investment Risk, Market Risk - Equities, Management and Operational Risk, Focused Investment Risk, and Currency Risk. For a more complete discussion of these risks and others, please consult the Fund's prospectus. 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. **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 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.

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CHARACTERISTICS

	<i>Portfolio</i>	<i>Index</i>
Price/Earnings - Forecast 1 Yr Wtd Mdn	23.9x	24.6x
Return on Equity - Forecast 1 Yr Wtd Mdn	28.0%	24.4%
Dividend Yield - Hist 1 Yr Wtd Avg	1.3%	1.4%
Free Cash Flow Yield - Hist 1 Yr Wtd Avg	3.3%	3.3%
Market Cap - Wtd Mdn Bil	217.3 USD	224.4 USD
Number of Equity Holdings	36	499
Net Debt/EBITDA - Hist 1 Yr Wtd Mdn	0.2x	0.3x

MARKET CAP BAND EXPOSURES (\$B)

	<i>Portfolio</i>	<i>Index</i>
Small (5.5 & Below)	0.0	0.1
Small - Medium (5.5 To 16.1)	1.3	2.7
Medium (16.1 To 41.9)	3.5	10.8
Medium - Large (41.9 To 115.9)	16.5	21.0
Large (115.9 & Above)	78.7	65.4

SECTORS (%)

<i>Sector</i>	<i>Portfolio</i>	<i>Index</i>
Communication Services	8.6	9.0
Consumer Discretionary	9.2	10.3
Consumer Staples	10.3	6.0
Energy	0.0	3.9
Financials	7.6	13.2
Health Care	24.7	12.4
Industrials	6.2	8.8
Information Technology	33.5	29.6
Materials	0.0	2.4
Real Estate	0.0	2.3
Utilities	0.0	2.2

TOP HOLDINGS

<i>Company</i>	<i>Sector</i>	<i>%</i>
Microsoft Corp	Information Technology	7.2
Meta Platforms Inc	Communication Services	4.3
Oracle Corp	Information Technology	4.2
Alphabet Inc	Communication Services	4.1
UnitedHealth Group Inc	Health Care	4.0
Johnson & Johnson	Health Care	3.7
General Electric Co	Industrials	3.6
Lam Research Corp	Information Technology	3.6
KLA Corp	Information Technology	3.5
Texas Instruments Inc	Information Technology	3.5
Total		41.7

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IMPORTANT INFORMATION

Index(es): The S&P 500 Index is an independently maintained and widely published index comprised of U.S. large capitalization stocks. S&P does not guarantee the accuracy, adequacy, completeness or availability of any data or information and is not responsible for any errors or omissions from the use of such data or information. Reproduction of the data or information in any form is prohibited except with the prior written permission of S&P or its third party licensors.

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.

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