

DEEP VALUE

A High Conviction Idea in the Current Market Environment

Tommy Garvey and Mary Ampah | October 15, 2026

OVERVIEW

Deep value is one of today's most compelling investment opportunities. Implementation is crucial. In this webcast, Tommy Garvey of GMO's Asset Allocation team explained why we hold that conviction, and how our Global Opportunistic Value Strategy is designed to capture the potential rewards more effectively than traditional value approaches.

KEY POINTS

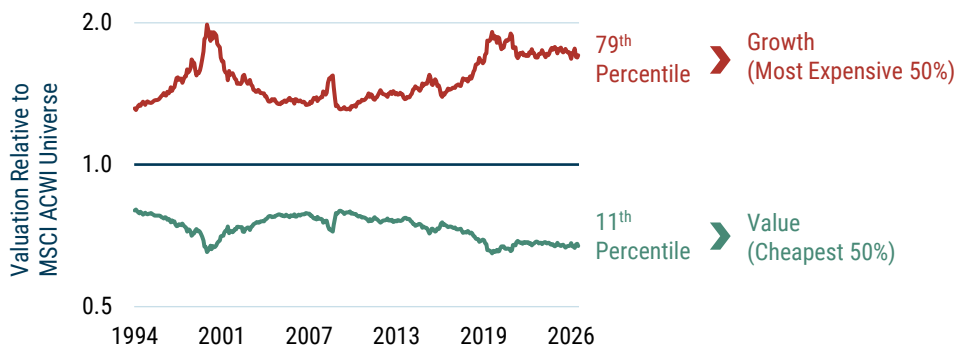
Why Value?

- Many of the best bargains are found in the cheapest 20% of the market, and they have found their way there by merely being unexciting, not because they are "cheap for a reason".
- Historically, cheaper stocks have tended to outperform by even more during periods when value outperforms.

Why Now?

- Much of the last decade's growth outperformance and current high valuations rely on investor exuberance, forecasting better and better earnings, and applying higher and higher multiples to those earnings.
- Value is much cheaper than normal relative to the market (see chart below).

VALUATION GROUPS IN MSCI ACWI UNIVERSE



Preliminary as of 9/30/2026 | Source: GMO

Stock valuations are calculated on a blend of Price/Sales, Price/Gross Profit, Price/Economic Book, and Price/Normalized Earnings. Groups of value and market are weighted by square root of market cap. Groups have the same country exposure as the universe. 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. Please visit <https://www.gmo.com/americas/benchmark-disclaimers/> to review the complete benchmark disclaimer notice.

**Tommy Garvey**

Mr. Garvey is a member of GMO's Asset Allocation team. Previously at GMO, he was a member of the

Global Client Relations team in the London office. Prior to joining GMO in 2012, he worked at Close Brothers Asset Management, London as the Chief Investment Officer of the multi-manager division. Previously, he was the co-founder and Head of Institutional Business and principal at Aon Asset Management, London. Mr. Garvey is a Fellow of the Institute of Actuaries.

**Mary Ampah**

Ms. Ampah is a member of the Client Relationship team in GMO's London office and is responsible for

relationships with UK clients. Prior to joining GMO in 2019, she spent 10 years at Goldman Sachs Asset Management as an executive director responsible for relationships with UK pension schemes. Previously, she worked in the Fixed Income securities business for Goldman Sachs International. Ms. Ampah earned an MSci (Hons) degree in Chemistry from Imperial College London. She is a CFA Sustainable Investing Certificate holder.

Disclaimer

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Thoughtful Implementation is Key to Capturing the Opportunity

- Reported financials and simple value metrics can be misleading. We rebuild financials from the bottom up to properly account for intangibles and to remove distortions caused by share buybacks.
- Using a Quality overlay is essential, as some companies deserve to trade at a premium to the market, and some deserve to trade at a discount.
- Allowing for a reasonable assessment of future growth prospects provides a more accurate picture than just looking at current fundamentals.
- For these reasons, buying a value index or ETF does not make the most of the exciting value opportunity.

RELATED STRATEGIES

Please click on the links below to access strategies related to this event.

- [GMO Global Opportunistic Value Strategy](#)
- [GMO U.S. Opportunistic Value Strategy](#)
- [GMO International Opportunistic Value Strategy](#)
- [GMO Equity Dislocation Strategy](#)

RELATED RESEARCH

Please click on the links below to access research related to this event.

- [A Catalyst for the AI Bubble Break](#)
- [The Evolution and Edge of GMO Systematic Equity](#)
- [The Case for Acting Now in International Deep Value](#)
- [How a Big Bet Remains Poised for Future Outperformance](#)

Risks

Risks associated with investing in the Strategy may include: (1) Market Risk - Equities: the market price of equities may decline due to factors affecting the issuer, its industries, or the economy and equity markets generally. Declines in stock market prices generally are likely to reduce the net asset value of the Fund's shares; (2) Management and Operational Risk: the risk that GMO's investment techniques will fail to produce desired results, including annualized returns and annualized volatility; and (3) Non-U.S. Investment Risk: the market prices of many non-U.S. securities (particularly of companies tied economically to emerging countries) fluctuate more than those of U.S. securities. Many non-U.S. markets (particularly emerging markets) are less stable, smaller, less liquid, and less regulated than U.S. markets, and the cost of trading in those markets often is higher than it is in U.S. markets. This is not a complete list of risks associated with investing in the Strategy. Please contact GMO for more information.