QUARTERLY INVESTMENT REVIEW

Alternative Allocation Strategy

Performance returns (USD)

ANNUALIZED RETURNS (QUARTER-END)	Quarter-End	YTD	1-Year	3-Year	5-Year	10-Year	Since Inception
Alternative Allocation Strategy (net)	-1.83	3.24	-	-	-	-	3.24
Alternative Allocation Strategy (gross)	-1.60	3.64	-	-	-	-	3.64
FTSE 3-Mo. TBill	1.09	1.82	-	-	-	-	1.82
Value Add	-2.93	+1.42	-	-	-	-	+1.42

MAJOR PERFORMANCE DRIVERS

While there was no shortage of headline risk, markets more or less shrugged off the prospect of both tariffs and rising geopolitical tensions. After large drawdowns upon Liberation Day tariff announcements, markets bounced back on news of a pause. The rally that continued through the rest of the quarter had highly speculative characteristics fueled by gains in crypto currencies and unprofitable tech. Cathy Wood's AARK ETF reached highs not seen since early 2022. AI and AI adjacency has been a key driver. One example is Palantir, which reached a market capitalization of $314B, placing it as a top-30 constituent in the S&P. Yet its P/E ratios of 565x trailing and 228x forward, with a price-to-sales of 110x are truly in nosebleed territory. In the end, new all-time highs were achieved for many global equity indices. While there was also volatility within interest rates, the U.S. 10yr yield ended the quarter at the same level as the start. Credit spreads similarly round-tripped. The most directionally consistent mover throughout the quarter was the U.S. dollar, which continued a steady slide from the beginning of the year, as a result of increased hedging from foreign owners of U.S. assets. GMO Alternative Allocation underperformed due primarily to Value's underperformance within equity markets. The portfolio maintained its low beta throughout the period of high volatility in markets.

	Quarter Ending June 30, 2025			Year to Date Ending June 30, 2025		
	Average Weight (%)	Gross Return (%)	Contribution to Return (%)	Average Weight (%)	Gross Return (%)	Contribution to Return (%)
Alternative Allocation (net, local close)			-1.8			3.2
Alternative Allocation (gross, local close)			-1.6			3.4
Equity Dislocation	38	-6.4	-2.5	39	-3.7	-1.4
Event-Driven	22	5.8	1.3	22	6.8	1.5
Quality Long/Short	28	-5.0	-1.4	24	-4.1	-1.0
World Market Neutral	20	-2.9	-0.6	17	-3.5	-0.6
Global Macro	42	0.6	0.3	41	5.2	2.4
Managed Volatility	15	0.5	0.1	12	-1.5	0.0
Relative Value Credit	8	0.1	0.0	8	0.4	0.2
EM FX	12	5.2	0.6	12	8.8	1.1
Trend	10	-0.3	-0.1	6	-4.2	-0.2
Cash and Collateral	-	-	0.7	-	-	1.4
Total	**196**	**-2.4**	**-1.6**	**181**	**4.2**	**2.0**

RISKS

Risks associated with investing in the Strategy may include: (1) Management and Operational Risk: the risk that GMO's investment techniques will fail to produce desired results, including annualized returns and annualized volatility; (2) Leveraging Risk: the use derivatives and securities lending creates leverage. Leverage increases the Funds losses when the value of its investments (including derivatives) declines; and (3) Derivatives and Short Sales Risk: the use of derivatives involves the risk that their value may not change as expected relative to changes in the value of the underlying assets, pools of assets, rates, currencies or indices. Derivatives also present other risks, including market risk, illiquidity risk, currency risk, credit risk, and counterparty risk. This is not a complete list of risks associated with investing in the Strategy. Please contact GMO for more information.

Composite Inception Date: 31-Jan-25

Performance Returns: Performance for the year of inception is less than a full calendar year. 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 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. Gross returns are presented gross of management fees and any incentive fees if applicable. These returns include transaction costs, commissions, withholding taxes on foreign income and capital gains and include the reinvestment of dividends and other income, as applicable. If management and incentive fees were deducted performance would be lower. For example, if, before fees, the strategy were to achieve a 10% annual rate of return above its hurdle rate each year for ten years, and an annual advisory fee of 1% and incentive fee of 20% of net returns above the hurdle rate were charged during that period, the resulting average annual net return (after the deduction of management and incentive fees) would be approximately 7.20%. **GMO does not yet have a GIPS-compliant report for this composite since it has not managed accounts in this strategy for a full year.** The portfolio is actively-managed, is not managed relative to a benchmark and uses an index for performance comparison purposes only and, where applicable, to compute a performance fee.

MAJOR PERFORMANCE DRIVERS CONT.

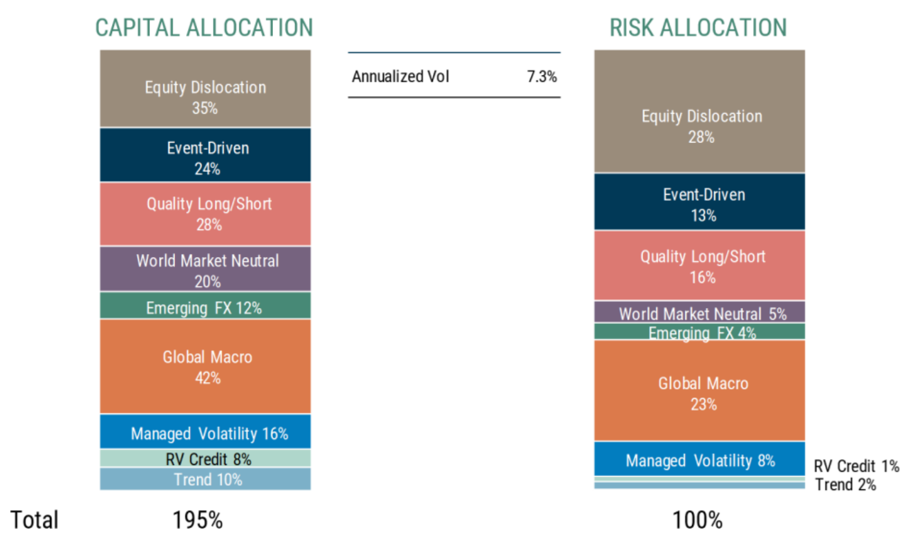
The GMO Alternative Allocation portfolio had a negative return for the quarter. The losses were driven mostly by the long/short equity positions. Value struggled mightily over the period as MSCI ACWI Value lost to ACWI Growth by over 11%. We would expect Equity Dislocation to do poorly in this environment, and unsurprisingly it was down 6.4%. The biggest losses came from net short positions in IT and Industrials. The team has done extensive work researching exposure to both tariffs and AI themes. There have been no major changes to the portfolio, however, controls have been put in place to ensure sensitivity to these themes do not increase.

Quality also underperformed as a factor over the quarter. Quality Long/Short maintained its defensive properties during the depths of the tariff related sell-off in early April. However, in the speculative rally that followed, Quality Long/Short underperformed, losing 5% on the quarter. On the short side, low quality names performed exceptionally well. This was particularly true in the United States; up 9.5% on the quarter vs 1.5% in Europe. The strategy was hurt by short positions in cryptocurrency related stocks, unprofitable tech, and an overweight to United Health. Small cap positions held in better relative to large but still underperformed slightly. World Market Neutral similarly struggled over the quarter due to Value's underperformance and momentum whipsawing early on.

On the positive side, Global Macro continued to outperform. Equities were the largest contributor to returns for the period despite an average net short position for the year. This underscores that outperformance has been the result of strong security selection within the asset class, rather than a long bias or beta timing. Within equities, long positions in Taiwan and Korea led the way. Currencies, particularly long NOK, also provided positive contributions as Value has worked well in that space. Commodities were a headwind for the quarter. The most noteworthy position has been a short in soybean oil, costing 26 bps at the portfolio level. Soybean oil prices rose more than 17% in mid-June following an EPA proposal to increase biomass within diesel by 67%.

Event-Driven also had a strong quarter with a return of 5.8%, contributing over 125 bps. Leading contributors were broad narrowing of spreads, particularly Azek-James, as well as the closing of the Hewlett Packard-Juniper. The Event-Driven opportunity set remains solid yet not spectacular. While deal flow has been a little light given uncertainty starting from the election in the Fall through tariff threats this Spring, the team has been able to find solid rate-of-return deals while maintaining room to add risk should things get more interesting.

The Emerging Market FX strategy continued its strong run of performance, capitalizing on U.S. dollar depreciation over the quarter. Brazilian real and Czech krona were leading contributors. We continue to see emerging currencies priced cheap relative to the dollar with strong carry. Managed Volatility performed in-line with expectations over the quarter given the turbulent markets. The strategy suffered reasonably steep losses early on as the VIX spiked. We continued to sell volatility at higher premiums through the drawdown, and the strategy was ultimately able to claw back performance as volatility subsided.



In mid-April we added a new capability under the Managed Volatility strategy: Event Volatility. This is a basket of single-name positions that leverages the expertise and fundamental views of the Event-Driven team. It takes directional positions while selling volatility, often through covered calls, on names experiencing elevated volatility due to a future catalyst or overhang. Some examples including Albertsons, which has filed a lawsuit over its recent broken deal, or Alphabet, which is facing antitrust lawsuits. This strategy nicely complements the other positions in the Managed Volatility portfolio, providing another path to harvest volatility with a more idiosyncratic return profile.

The position was partially funded from the ATM put selling strategy, recognizing the potential for increased beta. Elevated market volatility provided an opportune time to initiate these positions, and the strategy has performed well following launch.

Trend is another area that we added to in the second quarter, complementing the existing credit trend position with two multi-asset class trend strategies. We believe that trend is a useful factor that can complement several of the other positions in the portfolio, particularly those that are short volatility. Our goal is to take a diversified approach to capturing the factor with exposure to equities, rates, currencies, and commodities. We are doing this through a couple of different approaches, utilizing a variety of look-back windows. While FX markets trended reasonably well over the quarter, equities, rates, and commodities did not, leading to slightly negative returns. We are currently allocating a small amount of risk to the strategy but there is room to grow.

MAJOR PERFORMANCE DRIVERS CONT.

Finally, we reduced the capital allocation to Equity Dislocation over the course of Q2 from 40% to 35%. Importantly, the risk allocation has remained the same. We felt this was a necessary measure to take given the increase in volatility of the Value vs Growth spread. Equity Dislocation remains a high-conviction position with tremendous opportunity, as evidenced by its risk weighting within the portfolio.

While it was a disappointing quarter for performance, GMO Alternative Allocation held up reasonably well through a tough environment featuring high volatility and a strong junk rally. We continue to add new, well-researched sources of return to the portfolio. Many of our relative Value positions are extremely attractive as Value spreads, particularly in U.S. equities, continue to be stretched. At a time when the market seems to have become complacent to large macroeconomic and geopolitical risks, exposure to a low beta portfolio could prove useful.

Portfolio weights for the securities mentioned as a percent of equity are as follows: Palantir (-0.4%), United Healthcare (0.4%), AZEK (3.6%), James Hardie (-1.5%), Hewlett Packard (0.5%), Juniper (0.0%), Albertsons (0.3%), Alphabet (1.1%).

PRODUCT OVERVIEW

The GMO Alternative Allocation Strategy aims to generate positive total return while enhancing portfolio diversification through low correlation to traditional risk assets. The Strategy offers broad exposure across multiple asset classes and liquid alternative categories , including merger arbitrage/event-driven, equity market neutral, global macro, relative value quality, and volatility. We believe the Strategy's success will be driven by the following key features:

The GMO Asset Allocation team allocates capital based on risk and opportunity at the portfolio level. This is especially true at valuation extremes, when investors need risk management the most. The underlying investment strategies dynamically alter exposures and risk levels in an alpha-proportional manner.

IMPORTANT INFORMATION

Comparator Index(es): The FTSE 3-Month Treasury Bill Index is an independently maintained and widely published index comprised of short-term U.S. Treasury bills.

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.

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