

Item 11. Statement Regarding Basis for Approval of Investment Advisory Contract.

At a meeting held on August 19-20, 2024 (the “Meeting”), the Board of Trustees (the “Board”) of The 2023 ETF Series Trust II (“Trust”) considered and approved, for an initial two year term, the Investment Advisory Agreement (the “Agreement”) between the Trust and Grantham, Mayo, Van Otterloo & Co. (“GMO”) with respect to the GMO Beyond China ETF and GMO Systematic Investment Grade Credit ETF (each, a “Fund,” and collectively, the “Funds”) pursuant to which GMO will provide advisory services to the Funds, each of which is a new series of the Trust. The Board, which is comprised solely of Trustees who are not “interested persons” of the Trust within the meaning of the Investment Company Act of 1940 (the “Independent Trustees”), were advised by legal counsel throughout the process.

To evaluate the Agreement, the Board requested, and GMO, the Funds’ investment adviser, provided such materials as the Board, with the advice of counsel, deemed reasonably necessary. The Board also met with representatives of GMO at the Meeting, during which the Independent Trustees and GMO representatives discussed the materials that had been provided as well as other related matters concerning the Funds. In determining whether to approve the Agreement, the Board considered various factors, including (i) the nature, extent and quality of services to be provided by GMO to the Funds; (ii) the investment objective and strategy for each Fund and, because the Funds are new and therefore have no performance record, how each Fund’s strategy might be expected to perform in the future; (iii) the profits anticipated to be realized by GMO from providing advisory services to the Funds; (iv) fees charged to comparable funds; (v) the extent to which economies of scale would be shared as each Fund grows; and (vi) other factors the Board deemed to be relevant.

Nature, Extent and Quality of Services

The Board considered the nature, extent and quality of services to be provided by GMO. The Board reviewed the Agreement and GMO’s anticipated responsibilities with respect to providing investment advisory services to the Funds, including developing, implementing, and maintaining each Fund’s investment program; portfolio management, including evaluating and selecting investments for the Funds; trading portfolio securities and other investment instruments on behalf of the Funds; selecting broker-dealers to execute purchase and sale transactions; overseeing general portfolio compliance with relevant law; monitoring compliance with various policies and procedures and applicable securities regulations; periodic reporting to the Board; and implementing Board directives as they relate to the Funds.

The Board considered the background, sophistication and experience of GMO’s senior management, including those individuals responsible for portfolio management and regulatory compliance of the Funds. The Board also considered GMO’s extensive administrative and compliance infrastructures. The Board appreciated the fact that GMO has deep experience and expertise serving as the investment adviser to other registered investment companies.

The Board considered GMO’s portfolio management resources, structures and practices, including those associated with monitoring and seeking to ensure each Fund’s compliance with its investment objective and policies and with applicable laws and regulations. The Board also considered information about GMO’s overall investment management business, including the financial resources available to it needed to deliver high quality advisory services to the Funds.

Investment Performance

Because the Funds are new and had not yet commenced operations, the Board noted that there was no historical performance record to consider. The Board discussed with representatives of GMO the proposed

portfolio management team and the investment strategy to be employed in the management of each Fund's assets. The Board considered GMO's reputation and experience, including its experience managing other registered investment companies and took into account its experience and familiarity with GMO providing investment advisory services to another series of the Trust.

Fees Charged to Comparable Funds

The Board reviewed the advisory fee to be paid by each Fund to GMO under the Agreement. The Board reviewed a report prepared by Broadridge, an independent third-party, comparing each Fund's advisory fee to those paid by a group of peer funds. The Board took into consideration that the advisory fee for each Fund's is a "unitary fee," meaning that the Funds pay no expenses other than the advisory fee and certain expenses customarily excluded from unitary fee arrangements, such as brokerage commissions, taxes, and interest. The Board noted that, under the Agreement, GMO is responsible for compensating the Funds' other service providers and paying the Funds' other expenses out of its own fee and resources.

Profitability and Economies of Scale

The Board considered information concerning the anticipated profitability of GMO from managing the Funds. The Board appreciated that, because the Funds are new, information concerning GMO's profitability from a Fund was based on estimates and therefore, to a large degree, speculative. The Board noted that it will have opportunities in the future to consider and evaluate GMO's profitability from managing the Funds after the Funds commence operations and GMO begins receiving advisory fees. The Board also considered whether economies of scale or other efficiencies might result as a Fund's assets grow. As the Funds had not yet commenced operations, the Board observed that it is difficult to draw any meaningful conclusions. However, the Board noted the commitment being made by GMO by structuring its advisory fee as a unitary fee, which effectively acts as a cap on each Fund's total expense ratio. The Board noted that it intends to monitor for the existence of economies of scale with respect to the management of the Funds.

Other Benefits

The Board considered other benefits that might be derived by GMO from its relationship with the Funds. The Board noted that GMO has the ability to realize soft dollar benefits from its relationship with the Funds. The Board also considered the potential benefits flowing to GMO from sponsoring a family of exchange-traded funds.

Conclusion

After reviewing these and other factors, the Board concluded, in the context of its overall review of the Agreement, that the nature, extent and quality of services to be provided supported its approval of the Agreement and that the fee to be charged under the Agreement was reasonable. In the Independent Trustees' deliberations, each Trustee gave specific factors the weight that Trustee thought appropriate. No single factor was determinative of the Board's decision to approve the Agreement on behalf of the Funds; rather, the Board based its determination on the total mix of information available to it.