QUARTERLY INVESTMENT REVIEW

Quality Investment Fund USD Class

Performance returns (USD)

ANNUALIZED RETURNS (QUARTER-END)	Quarter-End	YTD	1-Year	3-Year	5-Year	10-Year	Since Inception
Quality Investment Fund USD Class (net)	6.27	19.06	19.06	22.13	14.07	15.24	13.95
Quality Investment Fund USD Class (gross)	6.41	19.68	19.68	22.77	14.68	15.88	14.60
MSCI World	3.12	21.09	21.09	21.16	12.15	12.17	10.70
Value Add vs. MSCI World	+3.15	-2.03	-2.03	+0.97	+1.92	+3.07	+3.25
S&P 500 (Net)	2.56	17.43	17.43	22.47	13.92	14.22	13.55
Value Add vs. S&P 500 (Net)	+3.71	+1.63	+1.63	-0.34	+0.15	+1.01	+0.41

Data Source: GMO

MAJOR PERFORMANCE DRIVERS

In 2025, the GMO Quality portfolio delivered a positive return after fees from a U.S. dollar perspective, ahead of the S&P 500 but behind the MSCI World Index. In the fourth quarter, the portfolio return was about 3% ahead of the broader indices.

It will surprise you very little to learn that the best returns were generated in the growth part of the portfolio this year. The top three performers were AI-related. Lam Research and KLA Corp both sell equipment essential to the manufacture of semiconductors necessary for all that AI compute. Their businesses accelerated meaningfully in the scramble to kit out new data centers. Alphabet, meanwhile, had a great year on multiple fronts: Its TPU chips emerged as a potential competitor to Nvidia’s GPUs; its Gemini AI product took the lead over OpenAI’s best offering in benchmarking tests; and the widening of the search market into the AI space took regulatory heat off its powerful position in conventional search.

Overall, AI made a strong contribution to portfolio returns this year. While there is no perfect measure of AI exposure for a portfolio, our best estimate is that the portfolio has been a couple of points underweight over the year relative to the S&P 500, and a little overweight vs. the MSCI World. However, the relative weight mattered less than owning the right stocks in the space.

In September, when Oracle revealed the extent to which their compute business was dominated by a single client, OpenAI, alongside their increasing operational and financial leverage, we downgraded our assessment of the company’s quality to below our minimum threshold and liquidated the position over the next month or so. Oracle’s stock fell 43% from its October high to the December low, so the sale has proved a good save so far.

RISKS

Risks associated with investing in the Fund 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) Focused Investment Risk: the Fund invests its assets in the securities of a limited number of issuers, and a decline in the market price of a particular security held by the Fund may affect the Fund's performance more than if the Fund invested in the securities of a larger number of issuers. For a more complete discussion of these and other risks, please consult the Fund's Prospectus.

Inception Date: 10-Nov-10

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 indicative of future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance data may be lower or higher than the performance data provided herein.** Net of all fees and expenses after reimbursement by the Manager, but not transaction costs, if any. If certain expenses were not reimbursed, performance would be lower. Gross of fees, expenses and transaction costs, if any. If these fees, expenses and costs were included, performance would be lower. A dilution adjustment may be applied on a subscription or redemption of shares to reflect the costs of dealing in the Fund’s assets.The return on investment in the Fund may increase or decrease as a result of currency fluctuations if an investor’s investment is made in a currency other than that used in the past performance calculation. If the Fund holds assets in currencies other than the base currency of the Fund and/or you invest in a share class that is denominated in a different currency than the base currency of the Fund, subject to any hedging at share class or Fund level, the value of your investment may be impacted by changes in the relative prices of the relevant currencies. The use of financial derivative instruments by the Fund may result in increased gains or losses within the Fund. 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.

In 2025, enterprise software businesses performed poorly. The weakest three technology stocks in the portfolio were in this category: Salesforce, Dassault Systemes (the French lynchpin of industrial engineering design software), and Accenture (not an enterprise software provider per se, but whose corporate IT work is closely related). Each struggled for slightly different reasons but these stocks, and others like them, have derated as a group. Market participants worry about the risks from AI-native new solutions in enterprise software, presumably vibe-coded, and perhaps simply see more exciting ideas with stronger short-term tailwinds, elsewhere. The incorporation of agentic AI etc., into enterprise work will evolve over the next several years, and we suspect that the enterprise software businesses have time to become agentic suppliers of choice. With valuations running well below recent levels, we don't have to be precisely right. We smell an opportunity emerging here and have recently added capital to positions in enterprise software, including one new name for the portfolio.

Managed care companies had a number of problems - some external, some self-inflicted - and were the most significant pocket of portfolio weakness in 2025. We wrote about the challenges for this U.S.-centric sector, which sits between the consumers of healthcare (insured plan members) and the payers (usually employers or public entities) in a white paper earlier in 2025.[1] In this year of political maneuvering, the ever-present discount widened further. To cap it all, UnitedHealth delivered sufficiently disappointing results to change CEO mid-year and halve the share price to boot. We believe they have embarked on a course of self-help that will ultimately prevail and took the opportunity to acquire more UNH stock.

Also in Healthcare, life sciences equipment makers have been on the sharp end of an "R&D winter." The post-Covid biopharma boom turned into a bust of once-promising treatments and technologies. Further damaging sentiment was a series of laws and regulatory changes from both Biden and Trump: Biopharma companies feared price negotiations and tariffs, while universities struggled with NIH budget cuts and a broadly difficult financial environment. But there are signs of life as the regulatory environment stabilized and the portfolio's holding in Thermo Fisher was one of the strongest performers in the second half.

The portfolio has a substantial allocation to Healthcare, across the various sub-segments and across types of investments from compounders in core Quality like Johnson & Johnson to the high growth and undisputed leader in robotic surgery, Intuitive Surgical. We believe that investment in medical innovation will tend to be rewarded, especially at this point when the benefits of that innovation are befogged by other issues. Healthcare stocks began to pick up in the fourth quarter, and we hope that is a taste of things to come for these well-positioned companies.

Despite the tariff trauma, AI acceleration and all the other crosscurrents, the Quality portfolio got the return it deserved in aggregate in 2025; the return achieved by the portfolio closely matched the fundamental return generated by the companies in the portfolio (as measured by growth in EPS and dividends received over the period). Because trading was additive to returns, adding to Broadcom during the sell-off in April, and liquidating Oracle and so on, portfolio valuation perhaps got a little more attractive over the period.

We believe that the portfolio is well-positioned for the quarters and years ahead. Despite all the uncertainties, if we can build a portfolio of companies deploying capital effectively, with the reassurance that their valuations are under watchful review, we hope that GMO Quality can continue to play a helpful role in your overall portfolio.

Portfolio weights as a percentage of equity are as follows: Lam Research (4.1%), KLA Corporation (1.4%), Alphabet (5.3%), Nvidia (0%), Oracle (0%), Dassault Systemes (0.9%), Accenture (2.5%), UnitedHealth (2.3%), Thermo Fisher (3.7%), Johnson & Johnson (3.7%), Intuitive Surgical (1.8%), Broadcom (2.7%).

[1] Don't Blame The Middlemen – available at www.gmo.com

QUARTERLY INVESTMENT REVIEW

PRODUCT OVERVIEW

The GMO Quality Investment Fund seeks to generate total return by investing primarily in 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 Fund'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.

This is a marketing communication and a financial promotion. Past performance does not predict future returns.

IMPORTANT INFORMATION

This is a marketing communication and a financial promotion. This is not a contractually binding document. An investor should consider all of the Fund's characteristics including the investment objectives, risks, charges and expenses before investing. This and other important information can be found in the Fund's prospectus and the KIID/PRIIPs KID. To obtain a prospectus and the KIID/PRIIPs KID please visit www.gmo.com. Read the prospectus and the KIID/PRIIPs KID carefully before investing and do not base any final investment decision on this communication alone.

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The Fund has not been registered under the United States Investment Company Act of 1940, as amended, nor the U.S. Securities Act of 1933, as amended. None of the shares may be offered or sold, directly or indirectly, in the U.S. or to any U.S. Person, unless the securities are registered under the Act or an exemption from the registration requirements of the Act is available. A U.S. Person is defined as (a) any individual who is a citizen or resident of the U.S. for federal income tax purposes; (b) a corporation, partnership, or other entity created or organized under the laws of or existing in the U.S.; (c) an estate or trust the income of which is subject to U.S. federal income tax regardless of whether such income is effectively connected with a U.S. trade or business.

Investors and potential investors can also obtain the prospectus and key investor information, and a summary of investor rights and information on access to collective redress mechanisms, in English and local languages where the Fund is registered, under the Literature section at the following website:

https://www.gmo.com/europe/product-index-page/equities/quality-strategy/quality-investment-fund---dqf/

Please note that the management company of the Fund may decide to terminate the arrangements made for the marketing of the Fund in one or more EU member states pursuant to the UCITS marketing passport in accordance with the procedure provided for under the applicable laws that implement Article 93a of Directive 2009/65/EC (the UCITS Directive).

A full list of fees and charges applied to investment can be found in the prospectus and in the KIID/PRIIPS KID, available at: https://www.gmo.com/europe/product-index-page/equities/quality-strategy/quality-investment-fund---dqf/

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