EVENT-DRIVEN STRATEGY

Quarterly Investment Review

PRODUCT OVERVIEW

The GMO Event-Driven Strategy seeks to generate absolute return by investing in opportunities that arise from significant corporate events where there is generally some uncertainty about the outcome of the event in question and where the outcome will be known relatively soon. In practice, the Fund's portfolio generally includes a heavy focus on merger arbitrage transactions, supplemented by other opportunities that exhibit similar risk, return, and time horizon characteristics. GMO's Event-Driven team approaches this opportunity set with a strong emphasis on expected value, assessing the likelihood and returns of each outcome and focusing on situations where the team's assessment of the expected value is greater than that implied by the market.

MAJOR PERFORMANCE DRIVERS

The major contributors to returns in Q2 were AES Corp, Qube, and the Webster-Banco Santander spread.

AES Corp contributed to returns as current politics in Ohio, the key regulatory jurisdiction, appear more supportive of the merger than anticipated. Qube contributed to returns after it received Australian regulatory approval, clearing the merger to close in early-Q3. The Webster-Banco Santander spread contributed to returns after clearing a major regulatory hurdle, with the U.S. Office of the Comptroller of Currency approving the merger.

The major detractors from returns in Q2 were Allied Gold, TXNM Energy, and Altaba.

Allied Gold detracted from returns while they await Chinese regulatory approval amid ongoing political instability in Mali and gold spot price volatility. TXNM Energy detracted from returns after the New Mexico Public Regulation Commission (NM PRC) ruled that Blackstone's Private Investment in Public Equity (PIPE) was illegal and must be unwound, because it was tied to the ongoing merger, yet never submitted for PRC review. While the PRC allowed the merger review to continue, the process has been delayed pending a compliance filing addressing the unwind of the PIPE. Altaba detracted from returns after the company did not provide a substantive update on its liquidation process in its latest report.

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ANNUALIZED RETURNS (USD, %) (QUARTER-END)

	Quarter-End	*YTD*	*1-Year*	*3-Year*	*5-Year*	*10-Year*	*Since Inception*
Event-Driven Strategy (net)	0.01	1.66	6.89	11.53	6.23	-	6.04
Event-Driven Strategy (gross)	0.18	2.16	8.31	13.51	7.78	-	7.60
FTSE 3-Mo. T-Bill	0.93	1.87	4.05	4.85	3.69	-	2.42
Value Add	-0.92	-0.22	+2.83	+6.67	+2.54	-	+3.62

RISKS

Risks associated with investing in the Strategy may include: (1) Merger Arbitrage Risk: the proposed merger or acquisition might not be finalized. If the Strategy buys securities expecting an event-driven transaction (like a merger) and that transaction seems unlikely to happen, is delayed, or doesn't occur, the market price of those securities may drop significantly, leading to losses; (2) Special Situation Investment Risk: certain Funds may make investments in "special situations," which are often difficult to analyze. In any such investment opportunity, there exists the risk that the relevant transaction either will be unsuccessful, will take considerable time or will result in a distribution of cash or a new security the value of which will be less than the purchase price to the Fund of the security or other financial instrument in respect of which such distribution is received; and (3) 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. This is not a complete list of risks associated with investing in the Strategy. Please contact GMO for more information.

Composite Inception Date: 31-Jul-16

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.** 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 LLC claims compliance with the Global Investment Performance Standards (GIPS®). A Global Investment Performance Standards (GIPS®) Composite Report is available at www.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.** Returns include a substantial, one-time litigation settlement recovery received on December 16, 2024. This event contributed 2.64% to 2024 annual performance, based on a representative account. Performance for other periods, including this date, was also positively impacted, sometimes materially. Without this recovery, performance would have been lower in both absolute terms and relative to the benchmark. Additional information is available upon request. 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.

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.

For private bank intermediaries in Singapore and Hong Kong, these materials are intended for institutional and Accredited/Professional Investors Use Only.