

STRATEGY OVERVIEW

The GMO Emerging Domestic Opportunities Strategy's investment objective is total return. The Strategy primarily uses fundamental analysis to first select countries and sectors, and then equities of companies whose prospects are linked to the internal ("domestic") development and growth of the world's non-developed markets ("emerging markets"), including companies that provide goods and services to emerging market consumers.

STRATEGY FACTS

Inception: 3/24/11

Assets: \$2.0 Billion

Portfolio Management:

Amit Bhartia
Arjun Divecha

Risks:

Risks associated with an investment in the Strategy are Market Risk - Equities, Non-U.S. Investment Risk, Currency Risk, Management and Operational Risk, and Illiquidity Risk.

About GMO:

Founded in 1977, GMO is an independently-owned, global institutional investment manager dedicated to providing our clients with superior investment advice and performance.

Contact Us:

40 Rowes Wharf
Boston, Massachusetts 02110
(617) 330-7500 | www.gmo.com

METHODOLOGY

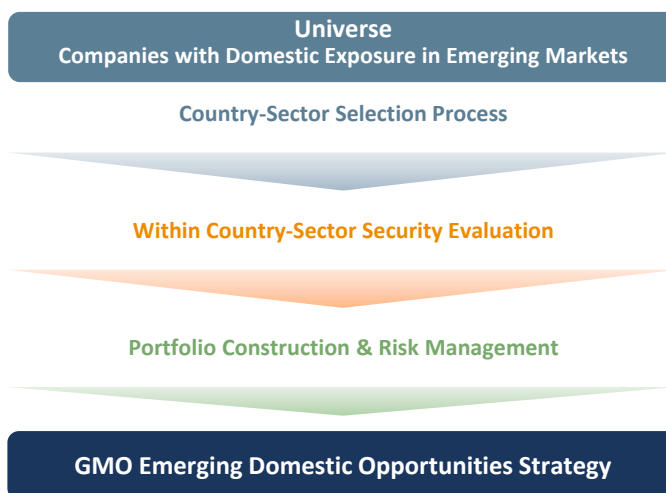
The process begins with country and sector allocation and then focuses on stock selection. Country and sector allocations are driven by the segments that are expected to benefit the most from the domestic demand in emerging markets. Size of the addressable market is one of the determinants of country allocation – markets with large populations are more desirable than those with small populations. Another key determinant is each country's macroeconomic health – robust macroeconomics help countries realize their potential. Stock allocations, on the other hand, are driven by signals such as the company's quality. We expect firms with competitive franchises to be among the ones that should profit from the wave of demand.

As the Strategy is designed to capture the domestic drivers in emerging economies, it will typically underweight exporters (they're a play on developed market growth) and commodity firms (driven by several factors outside emerging markets). The Strategy's investments are not limited to investments in companies located in any particular country or geographic region, and may include investments in companies located in emerging markets as well as developed markets (e.g., the U.S.) that are related to, or whose prospects are linked to, emerging markets.

PORTFOLIO CONSTRUCTION

The portfolio is constructed by weighing the trade-off between forecasted return, risk, transaction costs, and liquidity. The resulting portfolio is implemented through the use of securities and select derivative instruments.

INVESTMENT PROCESS

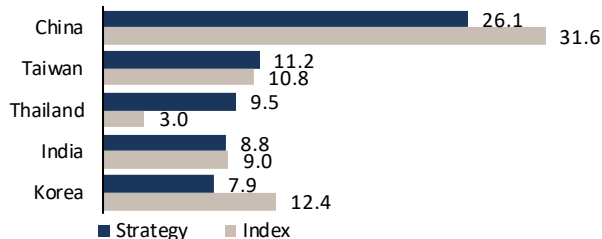


GMO Emerging Domestic Opportunities Strategy

June 30, 2019

STRATEGY PROFILE

Top Country Weights (%)¹



GICS Sector Weights (%)

	Under/Overweight vs. Index	Strategy	Index
Comm. Services	1.5	13.3	11.8
Consumer Disc.	-2.5	11.2	13.7
Consumer Staples	7.6	14.1	6.5
Energy	-7.0	1.0	8.0
Financials	10.1	34.8	24.7
Health Care	-1.8	0.7	2.5
Industrials	-0.4	5.0	5.4
Information Tech.	-0.7	13.5	14.2
Materials	-6.1	1.2	7.3
Real Estate	1.4	4.4	3.0
Utilities	-1.8	0.9	2.7

5-Year Risk Profile²

	Strategy	Index
Alpha	0.60	0.00
Beta	0.74	1.00
R ²	0.85	1.00
Sharpe Ratio	0.15	0.11
Std. Deviation	12.57	15.64

Characteristics

	Strategy	Index
Price/Earnings - Hist 1 Yr Wtd Median	20.6 x	16.1 x
Price/Cash Flow - Hist 1 Yr Wtd Median	15.7 x	10.3 x
Price/Book - Hist 1 Yr Wtd Avg	2.3 x	1.6 x
Return on Equity - Hist 1 Yr Avg	14.6 %	12.0 %
Market Cap - Weighted Median \$Bil	\$20.9	\$13.8
Number of Equity Holdings	101	947
Dividend Yield - Hist 1 Yr Wtd Avg	2.4 %	2.8 %
Price/Earnings - Forecast 1 Yr Wtd Avg	14.5 x	12.0 x

Top Ten Holdings³

Company	% of Equity
Tencent Holdings Ltd.	6.9
Samsung Electronics Co.	5.9
Taiwan Semiconductor Manufac	5.7
Alibaba Group Holding Ltd. Sponsored ADR	5.0
Digital Telecommunications Infrastructure Fund(Alient Mkt)	3.7
HDFC Bank Ltd.	3.2
Bank Central Asia	3.2
Nestle S.A.	2.6
AIA Group Ltd.	2.5
Ping An Insurance Group H HKD	2.4
Total	41.1

¹ Weights are based on exposure, which will include the impact from hedges held, if any.

² Alpha is a measure of risk-adjusted return; Beta is a measure of a portfolio's sensitivity to the market; R² is a measure of how well a portfolio tracks the market; Sharpe Ratio is the return over the risk free rate per unit of risk; Std. Deviation is a measure of the volatility of a portfolio. Risk profile data is net.

³ Portfolio holdings are percent of equity. They are subject to change and should not be considered a recommendation to buy individual securities.

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.

PERFORMANCE NET OF FEES

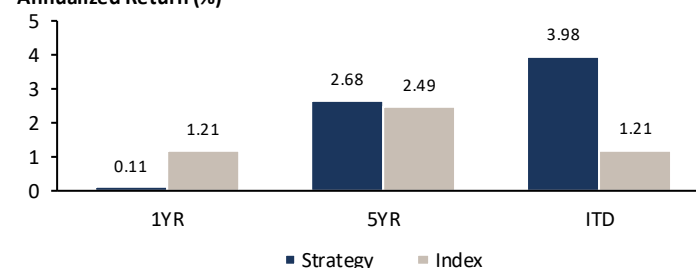
Total Return (%)

	Strategy	Index
2Q 2019	2.42	0.61
YTD 2019	12.00	10.59

Annual Total Return (%)

2018	-20.06	-14.58
2017	37.44	37.28
2016	4.24	11.19
2015	-8.12	-14.92
2014	-0.30	-2.19
2013	3.80	-2.60
2012	24.33	18.22
2011	-8.99	-20.06

Annualized Return (%)



Performance data quoted represents past performance and is not predictive of future performance. Returns are shown after the deduction of management fees, transaction costs and other expenses, but before custody charges, withholding taxes, and other indirect expenses. The returns assume the reinvestment of dividends and other income.

Performance is shown for the GMO Emerging Domestic Opportunities Composite. The inception date of the Composite is 3/31/11.

The Emerging Domestic Opportunities Strategy does not have a benchmark. The Strategy has been compared to the MSCI Emerging Markets Index in an effort to compare and contrast the Strategy versus a broad emerging markets index. The MSCI Emerging Markets Index (MSCI Standard Index Series, net of withholding tax) is an independently maintained and widely published index comprised of global emerging markets large and mid capitalization stocks. 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.