EVENT-DRIVEN

OVERVIEW

GMO's Event-Driven Strategy seeks to generate absolute returns by investing in opportunities arising from significant corporate events, where there is generally some uncertainty around the outcome of the event, and the outcome will be known relatively soon. We believe an event-driven strategy has three primary appeals: positive expected returns, low correlation to equities, and relatively short duration.

GMO's Event-Driven Strategy focuses primarily on merger arbitrage, and supplements that with other event-driven situations that exhibit similar risk, return, and duration characteristics, such as strategic reviews, restructurings, spins, litigation, liquidations, and other corporate events. The Event-Driven team approaches this opportunity set through an expected-value framework: the team assesses the probability and return of each potential outcome and invests in situations where their assessment of expected value is greater than what is implied by the market.

FACTS

Strategy Inception	31-Jul-16
Composite Inception	31-Jul-16
Total Assets	$588mm USD
Index	FTSE 3-Mo. T-Bill

CUMULATIVE TOTAL RETURNS (USD, NET OF FEES, %)

	MTD	QTD	YTD	2025	2024	2023	2022	2021
Composite	0.26	0.26	3.31	14.63	10.49	7.04	6.17	-1.41
Index	0.34	0.34	3.20	4.40	5.45	5.26	1.50	0.05

RISK PROFILE (5-YEAR TRAILING)

Sharpe Ratio	0.62
Standard Deviation	7.83
Max Port. Drawdown (31-Aug-22 - 31-May-23)	-7.16

ANNUALIZED TOTAL RETURNS (USD, NET OF FEES, %)

	1 Year	3 Years	5 Years	10 Years	ITD
Composite	6.78	11.96	8.83	6.54	6.33
Index	3.89	4.67	3.95	2.53	2.47

PORTFOLIO MANAGEMENT



Doug Francis
Joined GMO in 2009
MBA, Boston University



Cole Weppner
Joined GMO in 2017
BS, Northeastern University

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.

Performance Returns: 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. **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.

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IMPORTANT INFORMATION

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.

GLOSSARY

Risk Statistics: Risk profile data is net of fees. 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. Drawdown is based on the portfolio's worst performance over the period based on monthly observations.
Please refer to https://www.gmo.com/americas/glossary-of-terms/ for additional portfolio characteristic definitions.

ABOUT GMO

Founded in 1977, GMO is a global asset manager committed to delivering superior performance and advice to our clients. We are privately owned, which allows us to singularly focus on our sole business – achieving outstanding long-term client investment outcomes. Offering multi-asset, equity, fixed income, and alternative strategies, we invest with a long-term, valuation-based philosophical approach.

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*GMO's West Coast Hub is comprised of members of Investment, Global Client Relations, and other teams located in and around the Greater San Francisco area
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