

# ALTERNATIVE ALLOCATION

## OVERVIEW

The GMO Alternative Allocation Strategy seeks to generate annualized returns above the FTSE 3-Month Treasury Bill Index over a complete market cycle by investing in a diversified portfolio of underlying alternative strategies, all run by GMO teams.

Underlying strategies are expected to include but are not limited to: merger arbitrage/event-driven, global macro, fixed income absolute return, asset allocation long/short, market neutral equities, high yield, and systematic put writing strategies. The Fund's success will be linked to the following differentiated features.

## FACTS

|                     |                  |
|---------------------|------------------|
| Strategy Inception  | 01-May-19        |
| Composite Inception | 31-Jan-25        |
| Total Assets        | \$711mm USD      |
| Index               | FTSE 3-Mo. TBill |

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

|           | <i>MTD</i> | <i>QTD</i> | <i>YTD</i> |
|-----------|------------|------------|------------|
| Composite | 2.92       | 5.17       | 5.17       |
| Index     | 0.37       | 0.71       | 0.71       |

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

|           | <i>1 Year</i> | <i>3 Years</i> | <i>5 Years</i> | <i>10 Years</i> | <i>ITD</i> |
|-----------|---------------|----------------|----------------|-----------------|------------|
| Composite | -             | -              | -              | -               | 5.17       |
| Index     | -             | -              | -              | -               | 0.71       |

## PORTFOLIO MANAGEMENT



**Ben Inker, CFA**  
Joined GMO in 1992  
BA, Yale University



**Robert Brannan, CFA**  
Joined GMO in 2006  
MBA, Boston University



**John Thorndike**  
Joined GMO in 2015  
AB, Bowdoin College

**Risks:** Risks associated with investing in the Strategy may include: (1) Management and Operational Risk: the risk that GMO's investment techniques will fail to produce desired results, including annualized returns and annualized volatility; (2) Leveraging Risk: the use derivatives and securities lending creates leverage. Leverage increases the Funds losses when the value of its investments (including derivatives) declines; and (3) Derivatives and Short Sales Risk: the use of derivatives involves the risk that their value may not change as expected relative to changes in the value of the underlying assets, pools of assets, rates, currencies or indices. Derivatives also present other risks, including market risk, illiquidity risk, currency risk, credit risk, and counterparty risk. 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](http://www.gmo.com). **Performance data quoted represents past performance and is not predictive of future performance.** 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 does not yet have a GIPS-compliant report for this composite since it has not managed accounts in this strategy for a full year.** The portfolio is actively-managed, is not managed relative to a benchmark and uses the Index for performance comparison purposes only and, where applicable, to compute a performance fee.

## ALTERNATIVE ALLOCATION

## PORTFOLIO ALLOCATIONS (%)

| <i>Asset Class</i>            | <i>Exposure</i> |
|-------------------------------|-----------------|
| <b>ALTERNATIVE STRATEGIES</b> | <b>187.7</b>    |
| Equity Dislocation            | 39.5            |
| Emerging FX                   | 12.2            |
| Event Driven                  | 20.1            |
| World Market Neutral          | 19.9            |
| RV Credit                     | 8.0             |
| Quality Long/Short            | 28.3            |
| Global Macro                  | 40.6            |
| Managed Volatility            | 14.0            |
| Trend                         | 5.1             |

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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.

## GLOSSARY

**Portfolio Allocations:** Weightings are as of the date indicated and are subject to change. The groups indicated above represent exposures determined pursuant to proprietary methodologies and are subject to change over time. Totals may vary due to rounding.

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## 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.

AMSTERDAM

BOSTON

LONDON

SAN FRANCISCO\*

SINGAPORE

SYDNEY

TOKYO\*\*

\*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

\*\*Representative Office

[www.GMO.com](http://www.GMO.com)