

QUALITY

OVERVIEW

The GMO Quality Trust 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 Trust'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.

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

	MTD	QTD	YTD	2023	2022	2021	2020
Portfolio	3.71	1.15	17.22	28.55	-8.48	32.55	6.57
Benchmark	1.61	0.29	14.17	23.03	-12.24	29.29	6.83

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

	1 Year	3 Years	5 Years	10 Years	ITD
Portfolio	22.48	15.59	–	–	19.38
Benchmark	19.80	11.11	–	–	15.18

FACTS

APIR Code	GMO1447AU
ISIN	AU60GMO14472
Inception	23-Sep-20
Total Assets	\$271mm AUD
Management Fee	0.607% p.a.
Buy/Sell Spread	0.05%
Pricing Frequency	Daily
Distribution Frequency	Quarterly
Liquidity	Daily
Benchmark	MSCI World

RISK PROFILE (SINCE INCEPTION 30-SEP-20)

Alpha (Jensen's)	4.28
Beta	0.99
R Squared	0.88
Sharpe Ratio	1.41
Standard Deviation	12.18

FUND RATINGS

Lonsec Rating	Highly Recommended
Zenith Rating	Recommended

PORTFOLIO MANAGEMENT



Tom Hancock
Joined GMO in 1995
MS, Rensselaer
Polytechnic Institute;
PhD, Harvard University



Ty Cobb, CFA
Joined GMO in 1997
MS, Suffolk University



Anthony Hene, CFA
Joined GMO in 1995
MS, University of Oxford

Risks: Risks associated with investing in the Fund may include Market Risk - Equities, Management and Operational Risk, Focused Investment Risk, Non-U.S. Investment Risk, and Currency Risk. For a more complete discussion of these risks and others, please consult the Trusts Product Disclosure Statement. 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 Returns:** Net returns are presented after the deduction of management fees and incentive fees 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. The inception date of the fund is 23 September 2020. The inception date of the performance data above is 24 September 2020, the first full day that the GMO Quality Trust was fully invested. Performance data using an inception date of 23 September 2020 would produce a different outcome and compare fund performance over a period different to that reflected in the benchmark performance. The GMO QualityTrust ARSN 643 940 872 ("the Trust") is issued by GMO Australia Limited ABN 30 071 502 639, AFS Licence No. 236 656. **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.** Buy/Sell Spread: Entry/ Exit Transaction Cost Allowance. Distribution Frequency: Distributions are assessed on a quarterly basis. Management Fees: Inclusive of GST and net of any applicable Input Tax Credits and/or Reduced Input Tax Credits.

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CHARACTERISTICS

	<i>Portfolio</i>	<i>Benchmark</i>
Price/Earnings - Forecast 1 Yr Wtd Mdn	22.6x	22.8x
Return on Equity - Forecast 1 Yr Wtd Mdn	26.7%	22.2%
Market Cap - Wtd Mdn Bil	317.6 AUD	202.7 AUD
Number of Equity Holdings	43	1407
Net Debt/EBITDA - Hist 1 Yr Wtd Mdn	0.2x	0.5x

MARKET CAP BAND EXPOSURES (\$B)

	<i>Portfolio</i>	<i>Benchmark</i>
Small (5.3 & Below)	0.0	1.1
Small - Medium (5.3 To 15.8)	1.5	7.6
Medium (15.8 To 40.0)	3.7	14.9
Medium - Large (40.0 To 116.4)	13.6	23.5
Large (116.4 & Above)	81.2	52.9

TOP COUNTRIES (%)

<i>Country</i>	<i>Portfolio</i>	<i>Benchmark</i>
United States	78.8	72.1
United Kingdom	6.6	3.7
France	4.3	2.8
Germany	3.6	2.2
Taiwan	3.6	0.0
Switzerland	2.4	2.4
Spain	0.7	0.7
Australia	0.0	1.9
Austria	0.0	0.0
Belgium	0.0	0.2

REGIONS (%)

<i>Region</i>	<i>Portfolio</i>	<i>Benchmark</i>
United States	78.8	72.1
Europe	17.6	16.4
Rest of World	3.6	11.5
Cash Equivalents	0.0	0.0

SECTORS (%)

<i>Sector</i>	<i>Portfolio</i>	<i>Benchmark</i>
Communication Services	8.7	7.8
Consumer Discretionary	9.9	10.2
Consumer Staples	10.4	6.3
Energy	0.0	4.3
Financials	6.9	14.8
Health Care	23.7	11.8
Industrials	5.7	10.7
Information Technology	34.7	25.9
Materials	0.0	3.7
Real Estate	0.0	2.1
Utilities	0.0	2.4

TOP HOLDINGS

<i>Company</i>	<i>Sector</i>	<i>%</i>
Microsoft Corp	Information Technology	6.7
Apple Inc	Information Technology	5.0
Alphabet Inc	Communication Services	4.7
UnitedHealth Group Inc	Health Care	4.1
Meta Platforms Inc	Communication Services	4.0
Taiwan Semiconductor Manufacturing Co Ltd	Information Technology	3.6
Johnson & Johnson	Health Care	3.3
SAP SE	Information Technology	3.2
Lam Research Corp	Information Technology	3.1
Oracle Corp	Information Technology	3.1
Total		40.8

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IMPORTANT INFORMATION

Benchmark(s): The MSCI World Index (MSCI Standard Index Series, net of withholding tax) is an independently maintained and widely published index comprised of global developed markets. 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.

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GLOSSARY

Risk Statistics: Risk profile data is net of fees. Alpha is a measure of risk-adjusted return. Beta is a measure of a portfolio’s sensitivity to the market. R-Squared 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.

Sector Exposures: The Global Industry Classification Standard (GICS) is the exclusive intellectual property of MSCI Inc. (MSCI) and Standard & Poor’s, a division of The McGraw-Hill Companies, Inc. (S&P). Neither MSCI, S&P, nor any third party makes any representations or warranties, express or implied, with respect to GICS or the results to be obtained by the use thereof, and expressly disclaim all warranties, including of merchantability and fitness for a particular purpose. Neither MSCI, S&P, nor any third party shall have any liability for any damages of any kind relating to the use of GICS.

Top Holdings: Portfolio holdings are percent of equity. Where applicable, the top holdings are derived by looking through to the underlying funds in which the asset allocation funds invest and, where appropriate, individual security positions are aggregated. They are subject to change and should not be considered a recommendation to buy individual securities.

LONSEC INVESTMENT RATING

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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

**Representative Office

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