

# USONIAN JAPAN VALUE CREATION STRATEGY

## OVERVIEW

The Usonian Japan Value Creation Strategy seeks long term capital appreciation over a full market cycle and measures its performance against the TOPIX Total Return Index. The Strategy employs a fundamental, value-oriented approach to invest in Japanese equities with a focus on protecting capital in down markets and achieving lower total volatility compared to the index.

## PORTFOLIO MANAGEMENT



Drew Edwards

- Joined GMO in 2020
- 21 yrs industry experience
- M.B.A. and JD from Northwestern University

Performance Net of Fees (USD)

## TOTAL RETURN (%)

	<i>Portfolio</i>	<i>Tokyo Stock Price Index (TR)</i>	<i>MSCI Japan Value</i>
MTD	1.69	1.32	5.08
QTD	1.28	0.15	5.31
YTD	1.28	0.15	5.31

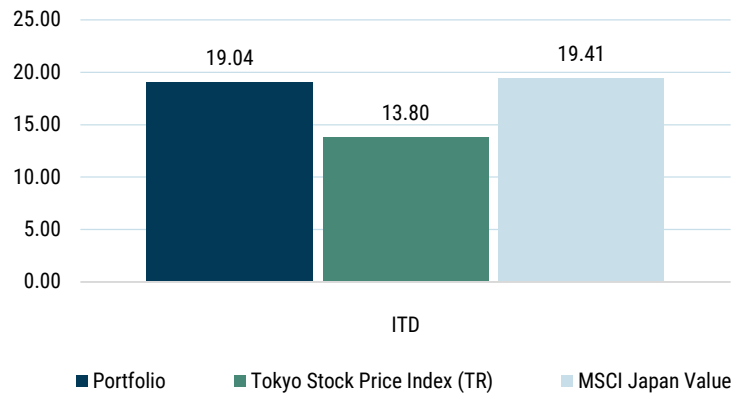
## ANNUAL TOTAL RETURN (%)

2020	17.54	13.62	13.38
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## FACTS

Strategy Inception Date	September 14, 2020
Total Assets as of 12/31/20	\$170mm USD

## ANNUALIZED RETURNS (%) AS OF 02/28/2021



Composite Inception Date: September 30, 2020

Returns shown for periods greater than one year are on an annualized basis.

**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. A Global Investment Performance Standards (GIPS®) compliant presentation is available on GMO.com by clicking the GIPS® Compliant Presentation 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 compliant presentation.

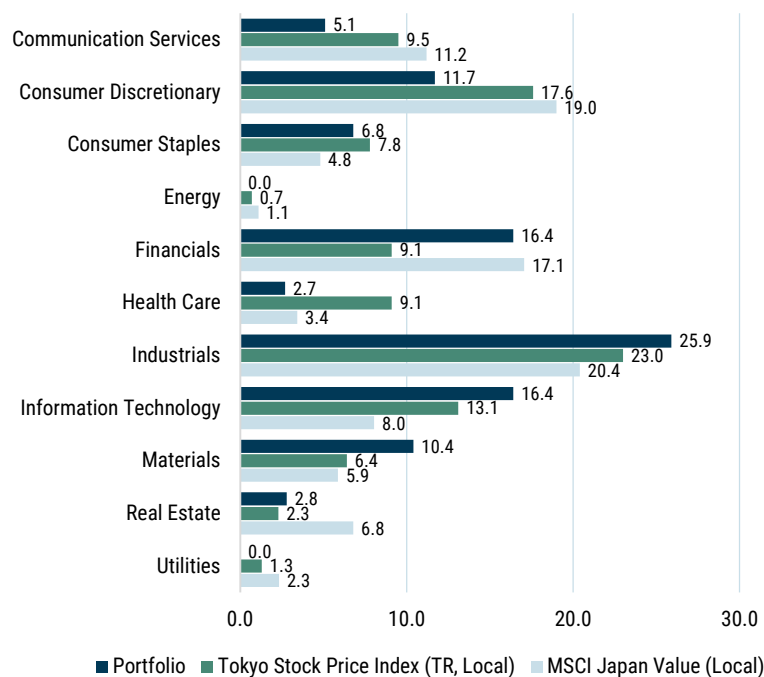
Risks associated with investing in the Strategy may include Market Risk - Equities, Management and Operational Risk, Focused Investment Risk, Non-U.S. Investment Risk, and Currency Risk.

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## CHARACTERISTICS

	<i>Portfolio</i>	<i>Tokyo Stock Price Index (TR, Local)</i>	<i>MSCI Japan Value (Local)</i>
Price/Earnings - Hist 1 Yr Wtd Mdn	16.1x	24.5x	15.0x
Price/Book - Hist 1 Yr Wtd Avg	1.0x	1.3x	0.9x
Return on Equity - Hist 1 Yr Mdn	7.4%	8.3%	6.4%
Dividend Yield - Hist 1 Yr Wtd Avg	2.6%	2.0%	2.8%
Market Cap - Wtd Avg Bil	9.1 USD	33.5 USD	37.6 USD
Number of Equity Holdings	40	2192	195
Active Share	93.3%	N/A	N/A
EV/EBITDA - Hist 1 Yr Wtd Avg	6.8x	9.3x	8.9x
Net Debt/Equity - Wtd Avg	-0.9%	20.6%	48.7%

## SECTORS (%)



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TOPIX (Net of dividend withholding tax) is a free-float adjusted market capitalization-weighted index that is calculated based on all the domestic common stocks listed on the TSE First Section. TOPIX shows the measure of current market capitalization assuming that market capitalization as of the base date (January 4, 1968) is 100 points. The MSCI Japan Value Index (MSCI Standard Index Series, net of withholding tax) captures large and mid cap Japanese securities exhibiting overall value style characteristics. The value investment style characteristics for index construction are defined using three variables: book value to price, 12-month forward earnings to price and dividend yield.

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.



**About GMO:** Founded in 1977, GMO is a private partnership whose sole business is investment management. The firm manages global portfolios with offices and clients around the world. Investment offerings include equity, fixed income, multi-asset class, and alternative strategies. GMO is known for blended fundamental and quantitative investment research expertise and a long-term orientation toward value opportunities.