

STRATEGY OVERVIEW

The GMO International Equity Strategy seeks to deliver high total over a full market cycle by investing primarily in non-U.S. developed market equities.

STRATEGY FACTS

Inception: 3/31/87

Benchmark: MSCI EAFE Index

Assets: \$4.6 Billion

Portfolio Management:
Neil Constable

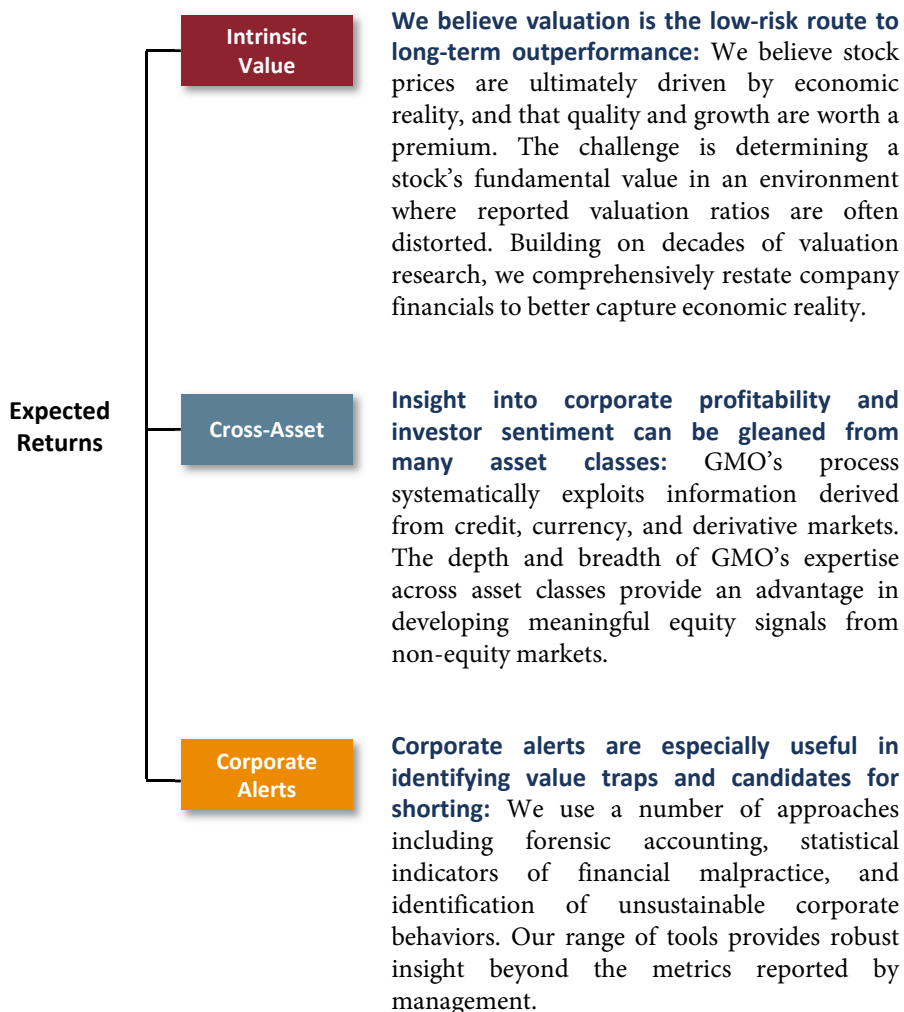
Risks:
Risks associated with investing in the Strategy may include Market Risk – Equities, Management and Operational Risk, Non-U.S. Investment Risk, Currency Risk, and Focused Investment Risk.

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.

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INVESTMENT PHILOSOPHY

In the short run, global equity markets exhibit exploitable inefficiencies as a result of irrational investor behavior, the imperfect flow of information, and the participation of non-economic actors. In the long run, however, returns are ultimately driven by economic reality. The difference creates an opportunity for the Global Equity team to focus on valuation in conjunction with less traditional methods to identify mispriced equity securities. Key tenets of the team's systematic quantitative framework include:

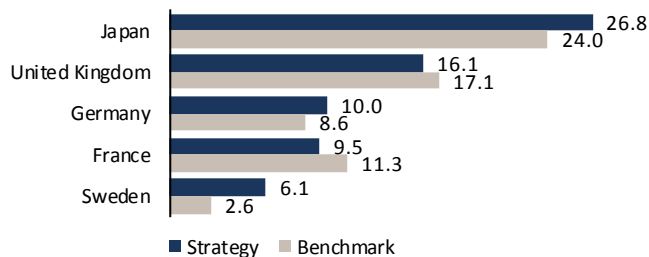


INVESTMENT APPROACH

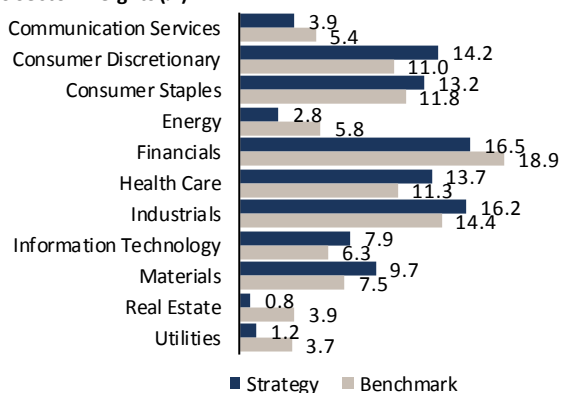
GMO's International Equity Strategy seeks to outperform over a full market cycle by identifying mispriced assets (both cheap and expensive) through bottom-up security selection. We seek to add value by looking beyond traditional value metrics to understand a security's intrinsic value, taking into consideration a company's quality and growth prospects, and using alternative indicators of mispricing to gain a differentiated view into company fundamentals, including cross-asset and corporate governance signals. We then build a portfolio seeking to maximize expected alpha subject to investment risk, liquidity, and cost considerations, including transaction costs. We continually monitor our exposure to styles and risk factors, as well as changing risk conditions in global markets.

STRATEGY PROFILE

Top Country Weights (%)



GICS Sector Weights (%)



5-Year Risk Profile¹

	Strategy	Benchmark
Alpha	-3.44	0.00
Beta	1.05	1.00
R ²	0.95	1.00
Sharpe Ratio	-0.12	0.15
Std. Deviation	12.66	11.70

Characteristics

	Strategy	Benchmark
Price/Earnings - Hist 1 Yr Wtd Median	11.1 x	16.4 x
Price/Book - Hist 1 Yr Wtd Avg	1.5 x	1.6 x
Return on Equity - Hist 1 Yr Med	13.9 %	11.3 %
Market Cap - Weighted Median \$Bil	\$17.8	\$29.0
Dividend Yield - Hist 1 Yr Wtd Avg	3.7 %	3.4 %
Number of Equity Holdings	320	920
Price/Cash Flow - Hist 1 Yr Wtd Median	7.5 x	11.2 x

Top Holdings²

Company	Country	Sector	% of Equity
GlaxoSmithKline PLC	United Kingdom	Health Care	3.1
Allianz AG Holding	Germany	Financials	2.9
L'Oreal S.A.	France	Consumer Staples	2.9
Nippon T&T Corp.	Japan	Communication Svcs.	2.5
Itochu Corp.	Japan	Industrials	2.5
Total			13.9

¹ 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.

² Portfolio holdings 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

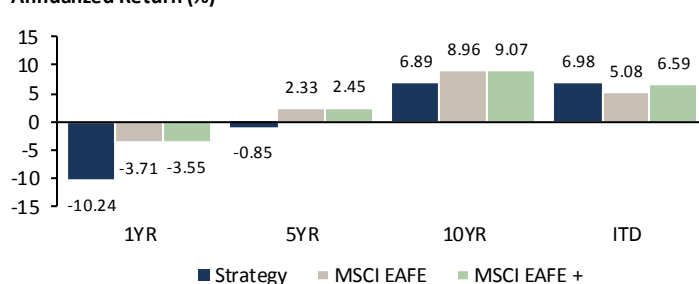
Total Return (%)

	Strategy	MSCI EAFE	MSCI EAFE +
1Q 2019	10.67	9.98	9.98
YTD 2019	10.67	9.98	9.98

Annual Total Return (%)

Year	Strategy	MSCI EAFE	MSCI EAFE +
2018	-20.85	-13.79	-13.79
2017	25.48	25.03	25.03
2016	1.46	1.00	1.00
2015	-5.60	-0.81	-0.81
2014	-5.96	-4.90	-3.79
2013	25.62	22.78	22.95
2012	12.98	17.32	17.69
2011	-10.18	-12.14	-12.17
2010	7.53	7.75	3.25
2009	21.41	31.78	34.23

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.

The MSCI EAFE (Europe, Australasia, and Far East) Index (MSCI Standard Index Series, net of withholding tax) is an independently maintained and widely published index comprised of international large and mid capitalization stocks. The MSCI EAFE + (Europe, Australasia, and Far East) Index is an internally maintained benchmark computed by GMO, comprised of (i) the MSCI EAFE (Europe, Australasia, and Far East) Value Index (MSCI Standard Index Series, net of withholding tax) through 06/30/2014 and (ii) the MSCI EAFE (Europe, Australasia, and Far East) Index (MSCI Standard Index Series, net of withholding tax) thereafter. 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.