

STRATEGY OVERVIEW

The GMO U.S. Equity Strategy seeks to deliver high total return by investing primarily in U.S. equities.

STRATEGY FACTS

Inception: 2/28/89

Benchmark: Russell 3000 Index

Assets: \$858 Million

Portfolio Management:

Simon Harris
Josh White

Risks:

Risks associated with investing in the Strategy may include Market Risk - Equities, Management and Operational Risk, Focused Investment Risk, Illiquidity Risk, and Derivatives and Short Sales Risk.

About GMO:

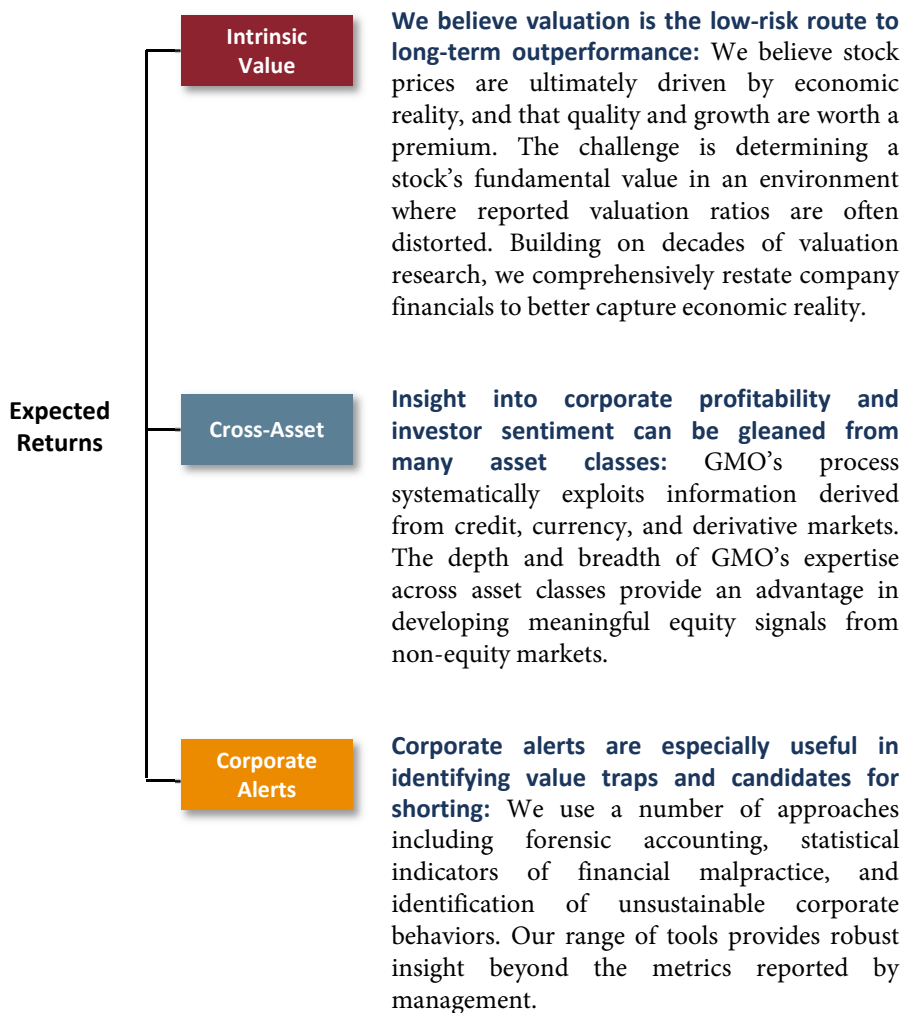
Founded in 1977, GMO is an independently-owned, global institutional investment manager dedicated to providing our clients with superior investment advice and performance.

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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:

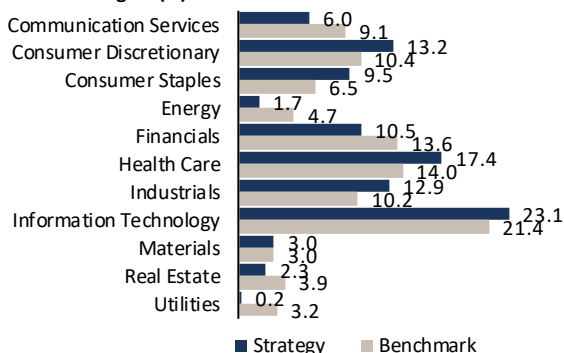


INVESTMENT APPROACH

GMO's U.S. 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

GICS Sector Weights (%)



Characteristics

	Strategy	Benchmark
Price/Earnings - Hist 1 Yr Wtd Med	17.6 x	23.1 x
Price/Book - Hist 1 Yr Wtd Avg	3.3 x	3.2 x
Return on Equity - Hist 1 Yr Med	23.3 %	20.2 %
Market Cap - Weighted Median \$Bil	\$40.0	\$71.9
Dividend Yield - Hist 1 Yr Wtd Avg	2.0 %	1.9 %
Number of Equity Holdings	235	2,954
Price/Cash Flow - Hist 1 Yr Wtd Median	13.7 x	17.0 x

5-Year Risk Profile¹

	Strategy	Benchmark
Alpha	-1.67	0.00
Beta	0.98	1.00
R ²	0.95	1.00
Sharpe Ratio	0.61	0.76
Std. Deviation	12.23	12.22

Top Holdings²

Company	Sector	% of Equity
Intel Corp.	Information Technology	2.8
Merck & Co Inc	Health Care	2.7
Comcast Corp.	Communication Services	2.6
Amgen Inc.	Health Care	2.2
Pfizer Inc.	Health Care	2.0
Total		12.3

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 percent of equity. They 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

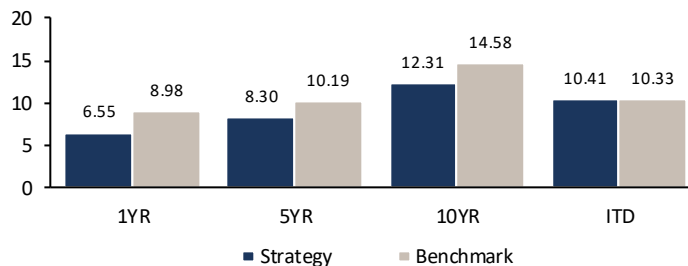
Total Return (%)

	Strategy	Benchmark
2Q 2019	3.83	4.10
YTD 2019	17.37	18.71

Annual Total Return (%)

2018	-9.76	-5.24
2017	18.33	21.13
2016	13.57	12.74
2015	0.61	0.48
2014	9.82	12.76
2013	27.95	32.85
2012	12.25	16.21
2011	9.91	1.58
2010	7.43	16.26
2009	20.54	27.46

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 Russell 3000 +++ Index is an internally maintained benchmark computed by GMO, comprised of (i) GMO blended benchmark of U.S. Equity Allocation Composite through 06/30/2014 and (ii) Russell 3000 thereafter. The GMO blended benchmark of U.S. Equity Allocation Composite is comprised of a weighted average of account benchmarks; many of the account benchmarks consist of S&P 500, Russell 3000 or some like proxy for each market exposure they have. For each underlying account benchmark, the weighting of each market index will vary slightly. The index is internally blended by GMO and maintained on a monthly basis. S&P does not guarantee the accuracy, adequacy, completeness or availability of any data or information and is not responsible for any errors or omissions from the use of such data or information. Reproduction of the data or information in any form is prohibited except with the prior written permission of S&P or its third party licensors. Russell Investment Group is the source and owner of the trademarks, service marks and copyrights related to the Russell Indexes. Russell® is a trademark of Russell Investment Group.