

QUARTERLY INVESTMENT REVIEW

Horizons Strategy

Performance returns (USD)

ANNUALIZED RETURNS (QUARTER-END)	Quarter-End	YTD	1-Year	3-Year	5-Year	10-Year	Since Inception
Horizons Strategy (net)	1.85	20.18	20.18	-	-	-	13.85
Horizons Strategy (gross)	1.89	20.36	20.36	-	-	-	14.02
MSCI ACWI ex Fossil Fuels	3.28	22.57	22.57	-	-	-	17.05
Value Add	-1.44	-2.39	-2.39	-	-	-	-3.20

MAJOR PERFORMANCE DRIVERS

Global equity markets ended the year on a high note, posting solid gains in the fourth quarter. The U.S. underperformed both emerging and developed markets outside the U.S., a trend consistent throughout the year and the quarter. While emerging markets led for the year, developed markets outside the U.S. led for the fourth quarter. Growth was fueled by a mix of drivers, including strong earnings and interest in AI-related stocks, despite ongoing geopolitical and tariff uncertainty.

In this environment, the portfolio underperformed the MSCI ACWI ex Fossil Fuels Index. Portfolio challenges in the quarter included the underperformance of companies with the lowest levels of carbon emissions and those with high levels of green revenues.

Top detractors included stock selection in Health Care, Industrials, and the U.S. Within the U.S., stock selection challenges echoed those of the broader portfolio, including in Information Technology, Health Care, and Industrials.

Despite the broader headwinds, holdings with a combination of high green revenues and lower emissions were among the top contributors, including semiconductor production equipment manufacturer Tokyo Electron (Japan Information Technology) and solar technology manufacturer First Solar (U.S. Information Technology).

RISKS

Risks associated with investing in the Strategy may include: (1) Market Risk - Equities: the market price of equities may decline due to factors affecting the issuer, its industries, or the economy and equity markets generally. Declines in stock market prices generally are likely to reduce the net asset value of the Fund's shares; (2) Management and Operational Risk: the risk that GMO's investment techniques will fail to produce desired results, including annualized returns and annualized volatility; and (3) Non-U.S. Investment Risk: the market prices of many non-U.S. securities (particularly of companies tied economically to emerging countries) fluctuate more than those of U.S. securities. Many non-U.S. markets (particularly emerging markets) are less stable, smaller, less liquid, and less regulated than U.S. markets, and the cost of trading in those markets often is higher than it is in U.S. markets. This is not a complete list of risks associated with investing in the Strategy. Please contact GMO for more information.

Composite Inception Date: 30-Sep-24

Performance Returns: Performance for the year of inception is less than a full calendar year. 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 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. Gross returns are presented gross of management fees and any incentive fees if applicable. These returns include transaction costs, commissions, withholding taxes on foreign income and capital gains and include the reinvestment of dividends and other income, as applicable. If management and incentive fees were deducted performance would be lower. For example, if, before fees, the strategy were to achieve a 10% annual rate of return above its hurdle rate each year for ten years, and an annual advisory fee of 1% and incentive fee of 20% of net returns above the hurdle rate were charged during that period, the resulting average annual net return (after the deduction of management and incentive fees) would be approximately 7.20%. **GMO LLC claims compliance with the Global Investment Performance Standards (GIPS®). A Global Investment Performance Standards (GIPS®) Composite Report is available at www.gmo.com by clicking the GIPS® Composite Report 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 Composite Report.**

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PRODUCT OVERVIEW

The GMO Horizons Strategy is a global strategy reflecting the view that the world economy is transitioning to a lower carbon future, and that this process will create opportunities for investors to generate excess returns. The Strategy seeks to capture these opportunities and mitigate related risks through significant exposure to impactful climate solutions and reduced total carbon footprint (direct and indirect), while controlling for exposure to Environmental, Social, and Governance (ESG) risks.

The GMO Horizons Strategy is a fully systematic and diversified solution that provides:

- Materially lower total emissions than the benchmark as measured using scope 1 emissions and GMO's proprietary Indirect Emissions model, which estimates the indirect emissions embodied in end-to-end company value chains
- High levels of exposure to companies where revenue is derived from selling green products and services
- ESG risk mitigation via better ESG characteristics than the benchmark

IMPORTANT INFORMATION

Benchmark(s): The MSCI ACWI ex Fossil Fuels Index (MSCI Standard Index Series, net of withholding tax) is an independently maintained and widely published index based on the MSCI ACWI Index, its parent index, and includes large and mid-cap stocks across 23 Developed Markets (DM) and 24 Emerging Markets (EM) countries. The index represents the performance of the broad market while excluding companies that own oil, gas and coal reserves. 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.

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.

For private bank intermediaries in Singapore and Hong Kong, these materials are intended for institutional and Accredited/Professional Investors Use Only.

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.

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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