

QUARTERLY INVESTMENT REVIEW

Usonian Japan Value Creation Strategy

Performance returns (USD)

ANNUALIZED RETURNS (QUARTER-END)	Quarter-End	YTD	1-Year	3-Year	5-Year	10-Year	Since Inception
Usonian Japan Value Creation Strategy (net)	2.75	30.45	30.45	19.93	8.59	-	11.55
Usonian Japan Value Creation Strategy (gross)	2.92	31.30	31.30	20.71	9.34	-	12.30
Tokyo Stock Price Index (TR)	2.51	25.32	25.32	17.28	6.63	-	8.92
Value Add	+0.25	+5.13	+5.13	+2.64	+1.97	-	+2.63

MAJOR PERFORMANCE DRIVERS

Japanese equities posted solid gains in the fourth quarter with the TOPIX index rising 8.8% in yen terms. Notably, the yen depreciated from 147.9 to 156.7 during the period, even as JGB yields soared from 1.7% to 2.1% on the 10-year, further narrowing the yield differential with U.S. Treasuries. Corporate reforms, driven by regulators and activists, continue to provide a good environment for equities. We were pleased with the portfolio's absolute and relative performance in 2025, having returned 31.0% gross and 30.1% net of fees in yen terms, compared to our benchmark, which returned 25.0%.

The portfolio outperformed the benchmark over the quarter. While value outperformed the index by 1.5%, small caps underperformed the index by 2.3% in local terms.^[1] Over the year, value outperformed the market by 7.4% and small caps outperformed by 4.1%. The combination of factors was a tailwind for our strategy. Non-ferrous Metals, Construction, Mining, and Oil were the best performers last quarter.

Against this backdrop, the portfolio outperformed the TOPIX during the quarter in local terms. Stock selection was strong in Industrials and weak in Information Technology. Looking at the whole of 2025, we were pleased that the strategy provided downside protection during the April drawdown, when tariffs were announced, and outperformed during a strong rally for the year. We approach every holding as engaged stewards—using long-term dialogue to advance shareholder-aligned change and concentrating capital in cash-generative, well-governed franchises at disciplined valuations.

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) Focused Investment Risk: the Fund invests its assets in the securities of a limited number of issuers, and a decline in the market price of a particular security held by the Fund may affect the Fund's performance more than if the Fund invested in the securities of a larger number of issuers. 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-20

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. The portfolio is actively-managed, is not managed relative to a benchmark and uses an index for performance comparison purposes only and, where applicable, to compute a performance fee.

QUARTERLY INVESTMENT REVIEW

MAJOR PERFORMANCE DRIVERS CONT.

While we continue to find compelling opportunities through our screens, networks, and fundamental work, we did not initiate any new positions nor exit any existing positions during the fourth quarter.

Please see our complete Quarterly Letter, available from your GMO relationship manager. In it, we address recently heightened concerns about Japan's fiscal and debt-level outlook, which has resulted in rapidly increasing JGB yields and yen weakness despite a narrowing interest rate differential with U.S. Treasuries.^[2] While our stock selection is purely bottom-up, understanding macro, business, and regulatory trends helps us manage the portfolio effectively.

[1] Performance of the market, value, and small caps is defined as the Total Returns of MSCI Japan, MSCI Japan Value, and MSCI Japan Small Cap indices, respectively, in yen terms, for the period ending December 31, 2025.

[2] In the final week of January, multiple outlets reported that the New York Fed conducted "rate checks" in dollar/yen—an infrequent step that markets view as a precursor to (or signal of) potential intervention—and that Tokyo and Washington were in close contact on FX. Following those reports, the yen strengthened sharply (from roughly ¥159 per dollar intraday on Jan. 23 toward the ¥153–154 area by Jan. 26–27), retracing part of its recent losses.

QUARTERLY INVESTMENT REVIEW

PRODUCT OVERVIEW

Usonian Japan Value Creation Strategy seeks total return and measures its performance against the TOPIX Total Return Index (the "Index") for performance comparison purposes. The Strategy employs a fundamental, value-oriented approach to invest in equities of Japanese companies and companies tied economically to Japan.

In managing the Strategy, the Usonian Japan Equity team follows a disciplined, bottom-up approach using fundamental research to identify equities that we believe are undervalued with high quality balance sheets. The team spends considerable time developing a high level of knowledge about the companies in which the Strategy invests and engages collaboratively with corporate management with the ultimate goal of unlocking shareholder value and mitigating risk.

IMPORTANT INFORMATION

Comparator Index(es): 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.

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.

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