

QUARTERLY INVESTMENT REVIEW

Real Return Global Balanced Asset Allocation Strategy

Performance returns (USD)

ANNUALIZED RETURNS (QUARTER-END)	Quarter-End	YTD	1-Year	3-Year	5-Year	10-Year	Since Inception
Real Return Global Balanced Asset Allocation Strategy (net)	3.44	3.44	3.28	5.79	8.70	4.25	5.59
Real Return Global Balanced Asset Allocation Strategy (gross)	3.70	3.70	4.32	6.85	9.79	5.30	6.64
GMO Real Return Global Balanced Asset Allocation Blended Index +	-0.27	-0.27	6.37	5.77	10.19	6.58	6.10
Value Add	+3.71	+3.71	-3.09	+0.02	-1.49	-2.32	-0.51

MAJOR PERFORMANCE DRIVERS

- Top-down asset allocation was positive for the quarter, driven largely by the positioning within equities.
- Security selection was positive across equities, alternatives, and fixed income.

Equities represented an average of 58.8% of the portfolio during the quarter, including 5.0% in Emerging Markets, 2.0% in Emerging Markets ex-China, 14.5% in Developed ex-U.S., 3.0% in Quality, 5.1% in U.S., 2.9% in U.S. Small Cap Quality, 3.0% in Quality Cyclical, 7.0% in U.S. Opportunistic Value, 6.2% in Japan Value, 7.2% in International Opportunistic Value, and 2.9% in Resource equity. The exposure to Quality Cyclical was removed toward the end of the quarter.

RISKS

Risks associated with investing in the Strategy may include the risk that one or more of the underlying portfolios will not perform as expected and that the Strategy will indirectly be exposed to all of the risks of an investment in the underlying portfolios. Other 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) Market Risk - Fixed Income Investments: the market price of a fixed income investment can decline due to a number of market-related factors, including rising interest rates and widening credit spreads or decreased liquidity stemming from the market's uncertainty about the value of a fixed income investment (or class of fixed income investments); 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-Jun-04

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.** Returns include a substantial, one-time litigation settlement recovery received on December 16, 2024. This event contributed 0.90% to 2024 annual performance, based on a representative account. Performance for other periods, including this date, was also positively impacted, sometimes materially. Without this recovery, performance would have been lower in both absolute terms and relative to the benchmark. Additional information is available upon request. The portfolio is actively-managed, is not managed relative to a benchmark and uses the Index for performance comparison purposes only and, where applicable, to compute a performance fee.

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MAJOR PERFORMANCE DRIVERS CONT.

The equity portfolio returned 3.0% for the quarter, ahead of the MSCI World return of -1.8%. Top-down regional and stylistic exposures had an excellent positive impact as the U.S. lagged far behind both Developed ex-U.S. and Emerging Markets, and Value far outpaced Growth. Security selection was marginally positive for the quarter. The Emerging Markets portfolio returned 3.0%, which was 10 bps ahead of the MSCI Emerging Market index, and Emerging Markets ex-China returned -2.2%, which was 50 bps behind the MSCI Emerging Markets ex-China index return of -1.7%. In Developed ex-U.S. markets, the portfolio posted 8.9%, which was 270 bps ahead of the MSCI World ex-USA index, and International Opportunistic Value posted 11.6%, outperforming the MSCI World ex-USA Value index by 130 bps. In the U.S., the broad U.S. portfolio return of -5.7% trailed the S&P Composite 1500 by 120 bps, while the U.S. Opportunistic Value return of 1.0% underperformed the MSCI USA Value index by 190 bps, and Quality beat the S&P 500 by 320 bps. Quality Cyclical outperformed, while U.S. Small Quality and Resource equity underperformed their reference benchmarks. The Japan Value portfolio returned 5.0%, ahead of the TOPIX by 370 bps. Being very slightly underweight to equities had no material impact on relative performance.

Fixed income represented 11.4% on average through the quarter, including 3.3% in Emerging Country Debt, 3.1% in Multi-Sector Fixed Income, and 5.0% in U.S. Treasury notes. Our fixed income strategies returned 4.9% for the quarter, ahead of the Bloomberg U.S. Aggregate index return of 2.8%. Multi-Sector Fixed Income delivered 3.2%, and the U.S. Treasury exposure did very well, posting 6.7% as the U.S. 10-year nominal yield finished the quarter 35 bps lower than where it started, at 4.23%. Our Emerging Country Debt portfolio returned 3.7%, which was ahead of the EMBI Global Diversified index return of 2.2%. Our underweight to fixed income had a small negative impact on performance against the asset allocation benchmark.

Cash/Cash Plus, predominantly in the form of Multi-Strategy, represented 6.9% on average through the quarter, and there was also 22.9% on average in alternatives, represented by the Equity Dislocation strategy along with a new exposure in the Alternative Allocation strategy. These averages reflect a change in positioning over the course of the quarter as we removed the Multi-Strategy exposure in favor of investing in the Alternative Allocation strategy. This overweight position to cash, absolute return, and alternatives added to relative returns as the blended benchmark was negative for the quarter. The dedicated allocation to Equity Dislocation returned 2.9%, lagging MSCI ACWI Value minus MSCI ACWI Growth but still well ahead of the naïve approach for longer time periods. Multi-Strategy had a reasonable return of 1.3% for the period it was in the portfolio, and the Alternative Allocation strategy enjoyed a strong start with a 5.4% return.

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PRODUCT OVERVIEW

The GMO Real Return Global Balanced Asset Allocation Strategy seeks to generate total return greater than that of its benchmark of 60% MSCI World Index, 20% Bloomberg U.S. Aggregate Index, and 20% FTSE 3-Month Treasury Bill Index by allocating dynamically across asset classes, free from the constraints of traditional benchmarks. The Strategy invests in a GMO-managed mutual fund, which in turn invests in actively managed equity, fixed income, alternative, and cash strategies, and a GMO-managed hedge fund-of-funds, which seeks positive total return with low volatility relative to equity markets and low correlation over a full market cycle to traditional market indices.

IMPORTANT INFORMATION

Comparator Index(es): The GMO Real Return Global Balanced Asset Allocation Blended Index + is an internally maintained benchmark computed by GMO, comprised of (i) GMO blended benchmark of Real Return Global Balanced Asset Allocation Composite through 06/30/2014 and (ii) The GMO RRGBAL Blended Index thereafter. The GMO blended benchmark of Real Return Global Balanced Asset Allocation Composite is comprised of a weighted average of account benchmarks; many of the account benchmarks consist of MSCI World (MSCI Standard Index Series, net of withholding tax), Bloomberg Aggregate, and FTSE 3-Month T-Bill 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. The RRGBAL Blended Index is comprised of 60% MSCI World Index (MSCI Standard Index Series, net of withholding tax), 20% Bloomberg U.S. Aggregate Index and 20% FTSE 3-Month Treasury Bill Index. The index is internally blended by GMO and maintained on a monthly basis. 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.

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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