REAL RETURN GLOBAL BALANCED ASSET ALLOCATION STRATEGY

Quarterly Investment Review

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. The Strategy invests in actively managed equity, fixed income, alternative, and cash strategies, as well as a GMO-managed diversified liquid alternatives mutual fund, which seeks positive total return with low volatility relative to equity markets and low correlation over a full market cycle to traditional market indices.

The philosophy that underlies all of GMO's Asset Allocation investment strategies is the belief that, at times and in the short term, the pricing of asset classes can deviate from true intrinsic value, but mean reverts to appropriate valuation levels over the long term. GMO's proprietary 7-Year Asset Class Forecasts form the foundation of our investment process, providing a framework to assess the return opportunity embedded in different asset classes. We use that insight to allocate to what we believe are the most attractively priced asset classes. GMO's Asset Allocation approach is flexible, not pre-determined by static allocations or benchmark-related ranges, constrained only by our unwillingness to overpay for an asset. We also seek to add value through security selection within both traditional and alternative asset classes.

MAJOR PERFORMANCE DRIVERS

Equities represented an average of 57.4% of the portfolio during the quarter, including 7.1% in Emerging Markets, 2.1% in Emerging Markets ex-China, 11.9% in Developed ex-U.S., 3.0% in Quality, 6.0% in U.S., 1.9% in U.S. Small Cap Quality, 8.1% in U.S. Opportunistic Value, 5.9% in Japan Fundamental Value, 7.3% in International Opportunistic Value, 2.0% in Resource equity, and 2.0% in U.S. Domestic Resilience.

The equity portfolio returned 3.8% for the quarter, far ahead of the MSCI World return of 1.9%. Top-down regional allocations were very unhelpful as the U.S. strongly outperformed both developed ex-USA and emerging markets, although this was offset somewhat by value outperforming growth for the quarter. Security selection was positive for the quarter. The Emerging Market portfolio returned 7.5%, which was 790 basis points ahead of the MSCI Emerging Markets Index, and Emerging Markets ex-China returned 7.5%, which was 880 bps ahead of the MSCI Emerging Markets ex-China Index return of -1.3%. In Developed ex-U.S. markets, the portfolio posted 2.5%, which was 160 bps ahead of the MSCI World ex-USA Index, and International Opportunistic Value posted 6.4%, outperforming the MSCI World ex-USA Value Index by 270 bps. In the U.S., the broad U.S. portfolio return of 2.1% beat the S&P Composite 1500 by 50 bps, while the U.S. Opportunistic Value return of 6.5% outperformed the MSCI USA Value Index by 250 bps, and Quality beat the S&P 500 by 230 bps. U.S. Small Cap Quality and Resource equity underperformed their reference benchmarks. Our underweight exposure to equities had a small negative impact on performance relative to the asset allocation benchmark.

Fixed income represented 8.8% on average through the quarter, including 0.9% in Emerging Country Debt and 7.9% in U.S. Treasury notes. Our fixed income strategies returned -8.6% for the quarter, behind the Bloomberg U.S. Aggregate Index return of -3.5%. The U.S. Treasury exposure did poorly, posting -9.2%. Our Emerging Country Debt portfolio returned -3.4%, which was ahead of the EMBI Global Diversified Index return of -3.9%. Our underweight exposure to fixed income had a positive impact on performance against the asset allocation benchmark.

Cash/cash plus and alternatives represented 33.8% on average through the quarter, including 13.5% in Equity Dislocation, 16.4% in Alternative Allocation, and 3.9% in Cash and Short Duration. Equity Dislocation returned 8.5%, ahead of the MSCI ACWI Value minus MSCI ACWI Growth comparator return of 4.2%. The Alternative Allocation Strategy posted a 7.9% return for the quarter, well ahead of the return of both world equities and bonds. Within the Alternative Allocation Strategy, each of Equity Dislocation, Systematic Global Macro, World Market Neutral, and Trend Following contributed meaningfully to performance. Our overweight exposure to alternatives had a positive impact on relative performance as they outperformed the asset allocation benchmark.

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ANNUALIZED RETURNS (USD, %) (QUARTER-END)

	Quarter-End	YTD	1-Year	3-Year	5-Year	10-Year	Since Inception
Real Return Global Balanced Asset Allocation Strategy (net)	3.33	15.30	23.32	16.25	9.71	7.63	6.71
Real Return Global Balanced Asset Allocation Strategy (gross)	3.59	16.16	24.56	17.42	10.81	8.72	7.77
GMO Real Return Global Balanced Asset Allocation Blended Index +	0.61	7.06	9.51	14.46	7.90	8.55	6.68
Value Add	+2.73	+8.24	+13.81	+1.79	+1.81	-0.92	+0.03

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 indicative of future results.** 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. Returns reflect a significant, one-time increase to the net assets on November 26, 2025 attributable to European Union discriminatory tax refunds. These refunds contributed 0.65% to 2025 annual performance, based on a representative account. Returns for other periods that include the date/period mentioned above were also positively impacted, sometimes substantially. In the absence of the refunds, performance would have been lower, both in 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 an index for performance comparison purposes only and, where applicable, to compute a performance fee.

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.

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
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