USONIAN JAPAN VALUE CREATION STRATEGY

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.

MAJOR PERFORMANCE DRIVERS

Japanese equities extended their historic run through the second quarter, with the Nikkei climbing above 72,000 for the first time in the index's history before easing into quarter end. The advance was propelled by surging global AI infrastructure spending, which lifted Japan's semiconductor equipment and materials suppliers, alongside sustained foreign inflows and a yen that stayed historically weak near ¥160, despite the Bank of Japan raising rates to 1% in June — the highest level since 1995. An easing of Middle East tensions in mid-June, following a U.S.-Iran peace framework, also lifted sentiment by reducing pressure on oil prices.

Despite the sharpness of the rally and its concentration in a narrow group of AI- and semiconductor-linked names, we continue to view the backdrop for Japanese equities as constructive. Ongoing corporate governance reforms, sustained focus on capital efficiency, and improving shareholder returns remain important medium- to long-term supports, while emerging real wage growth continues to underpin domestic demand. The portfolio remains oriented toward cash-generative companies with improving governance and conservative balance sheets, where engagement and identifiable company-specific catalysts provide clear paths to value creation without relying on any particular macro outcome or narrow market leadership.

Q2 PERFORMANCE REVIEW & POSITIONING

During the second quarter, the portfolio outperformed the benchmark. This came despite a market environment that was broadly a headwind for the portfolio: value stocks underperformed the index by approximately 6.9%, and small-cap stocks underperformed by 1.8% in local terms. Stock selection contributed positively in Industrials, while Information Technology and Consumer Staples detracted.

AI was the dominant theme of the quarter, with a narrow group of mega-cap stocks driving a significant portion of the market's advance. While the portfolio had limited exposure to many of those leaders, it nonetheless outperformed the benchmark, supported by select holdings with AI-related exposure, as well as continued strength in companies benefiting from governance reform and improving capital efficiency.

We continue to approach each holding as engaged stewards, pursuing long-term dialogue to support shareholder-aligned change, while concentrating capital in high-quality businesses purchased at attractive valuations.

Please refer to our full Quarterly Letter, available from your GMO relationship manager. While our investment process is firmly bottom-up, monitoring macroeconomic, business, and regulatory developments remains an important input into effective portfolio management.

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

	Quarter-End	*YTD*	*1-Year*	*3-Year*	*5-Year*	*10-Year*	*Since Inception*
Usonian Japan Value Creation Strategy (net)	16.01	20.30	33.62	22.73	11.98	-	14.11
Usonian Japan Value Creation Strategy (gross)	16.20	20.69	34.49	23.53	12.75	-	14.88
Tokyo Stock Price Index (TR)	11.95	14.14	26.88	18.11	9.24	-	10.63
Value Add	+4.06	+6.16	+6.74	+4.62	+2.74	-	+3.48

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 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.** 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): 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.

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