

QUARTERLY INVESTMENT REVIEW

U.S. Equity Strategy

Performance returns (USD)

ANNUALIZED RETURNS (QUARTER-END)	Quarter-End	YTD	1-Year	3-Year	5-Year	10-Year	Since Inception
U.S. Equity Strategy (net)	6.66	22.26	22.26	21.67	15.82	13.94	11.34
U.S. Equity Strategy (gross)	6.79	22.82	22.82	22.25	16.38	14.50	11.87
S&P Composite 1500 +	2.58	17.02	17.02	22.08	13.96	14.36	11.15
Value Add	+4.08	+5.25	+5.25	-0.41	+1.86	-0.42	+0.19

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. Growth was fueled by a mix of drivers, including strong earnings and interest in AI-related stocks, despite ongoing geopolitical and tariff uncertainty.

While growth outperformed value for the year, the S&P Composite 1500 Value Index outperformed the S&P Composite 1500 Index in the fourth quarter. Value and Momentum model groups both performed well in this environment, while performance from Alerts signals was mixed. Furthermore, stocks that were attractive on both our Value and Momentum metrics did particularly well.

Stock selection drove outperformance in the quarter from a wide range of positions across different sectors. Highlights included stock selection in Information Technology, Financials, Industrials, and Communication Services. Top contributors included overweight positions in Alphabet (Communication Services), Lam Research (Information Technology), and Merck (Health Care).

Detractors in the quarter were relatively modest, including stock selection in Consumer Staples. At a stock level, the largest detractors included an underweight position in Eli Lilly (Health Care) and an overweight position in Meta Platforms (Communication Services).

Portfolio weights, as a percent of equity, for the positions mentioned were: Alphabet (5.7%), Lam Research (2.8%), Merck (2.7%), Eli Lilly (0.0%), and Meta Platforms (3.8%)

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: 28-Feb-89

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.

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PRODUCT OVERVIEW

The GMO U.S. Equity Strategy seeks to generate high total return by investing primarily in U.S. equities. The Strategy measures its performance against the S&P Composite 1500+ Index.

The Strategy's investment approach is grounded in the Systematic Equity team's belief that, in the short term, equity markets exhibit exploitable inefficiencies as a result of irrational investor actions, the imperfect flow of information, and the participation of non-economic actors, while in the long-term returns are ultimately driven by economic reality. The Strategy aims to take advantage of these inefficiencies by utilizing a multi-factor valuation model in conjunction with other methods, such as momentum and corporate alerts, to identify undervalued equity securities.

IMPORTANT INFORMATION

Comparator Index(es): The S&P Composite 1500 + Index is an internally maintained benchmark computed by GMO, comprised of (i) GMO blended benchmark of U.S. Equity Allocation Comp blended Benchmark through 06/30/2014, (ii) Russell 3000 through 3/31/2020, and (iii) S&P Composite 1500 thereafter. The GMO blended benchmark of U.S. Equity Allocation Comp blended Benchmark is comprised of a weighted average of account benchmarks; many of the account benchmarks consist of S&P 500, Russell 3000 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. S&P does not guarantee the accuracy, adequacy, completeness or availability of any data or information and is not responsible for any errors or omissions from the use of such data or information. Reproduction of the data or information in any form is prohibited except with the prior written permission of S&P or its third party licensors. Russell Investment Group is the source and owner of the trademarks, service marks and copyrights related to the Russell Indexes. Russell® is a trademark of Russell Investment Group.

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.

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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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