EQUITY DISLOCATION

OVERVIEW

The GMO Equity Dislocation Strategy seeks high total return. It aims to own attractively valued equities while correspondingly shorting equities where we believe that valuations are reflective of implausible growth expectations. Currently, the Strategy is long global Value, short global Growth, to take advantage of the exceptionally wide valuation spread between Value and Growth.

The eligible universe for both the long and short side spans the market capitalization spectrum and includes both developed and emerging markets. Utilizing GMO's proprietary Price to Fair Value model to actively select the cheapest and most expensive stocks, the portfolio is diversified across sectors, countries, and regions and is intended to be approximately beta neutral.

FACTS

Strategy Inception	23-Oct-20
Composite Inception	31-Oct-20
Total Assets	$5.4bn USD
Index	FTSE 3-Mo. T-Bill

PRELIMINARY* CUMULATIVE TOTAL RETURNS (USD, NET OF FEES, %)

	MTD	QTD	YTD	2025	2024	2023	2022	2021
Composite	4.23	4.23	22.52	13.38	-2.73	2.11	14.18	13.10
Composite Alternate Net	3.55	3.55	19.75	14.76	-1.15	3.77	13.08	11.93
Index	0.34	0.34	3.20	4.40	5.45	5.26	1.50	0.05

RISK PROFILE (PRELIMINARY 5-YEAR TRAILING)

Sharpe Ratio	0.63
Standard Deviation	11.10
Max Port. Drawdown (31-Jul-24 - 30-May-25)	-12.16

PRELIMINARY* ANNUALIZED TOTAL RETURNS (USD, NET OF FEES, %)

	1 Year	3 Years	5 Years	10 Years	ITD
Composite	32.69	10.03	10.99	-	10.80
Composite Alternate Net	29.55	10.38	11.01	-	10.74
Index	3.89	4.67	3.95	-	3.29

PORTFOLIO MANAGEMENT



Ben Inker, CFA
Joined GMO in 1992
BA, Yale University



George Sakoulis
Joined GMO in 2020
MA & PhD, University of Washington

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) Short Investment Exposure Risk: a Fund will incur a loss as a result of a short sale if the price of the security, currency or other instrument increases between the date of the short sale and the date on which the Fund replaces the borrowed security, currency or other instrument. Conversely, the Fund will realize a gain if the price of the security, currency or other instrument declines between those dates. The amount of any gain will be decreased, and the amount of any loss increased, by the amount of the premium, dividends or interest the Fund may be required to pay in connection with a short sale. Short selling exposes a Fund to unlimited risk with respect to that security, currency or other instrument due to the lack of an upper limit on the price to which an investment can rise; 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.

***Preliminary Performance: Final performance numbers are generally available on GMO's website within fifteen business days after month end. Investors should not rely on preliminary numbers to make investment decisions. Performance Returns:** 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. **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 net of fee return is calculated using the highest base fee rate. The alternate net return is calculated using a reduced base fee rate plus incentive fee. 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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CHARACTERISTICS

	Long	Short
Price/Earnings - Forecast 1 Yr Wtd Mdn	10.4x	30.0x
Price/Earnings - Hist 1 Yr Wtd Mdn	14.0x	41.2x
Price/Book - Hist 1 Yr Wtd Mdn	1.8x	8.2x
Price/Cash Flow - Hist 1 Yr Wtd Mdn	8.3x	26.0x
Price/Sales - Hist 1 Yr Wtd Mdn	1.2x	5.7x
Return on Equity - Hist 1 Yr Mdn	13.9%	16.1%
Dividend Yield - Hist 1 Yr Wtd Avg	2.7%	1.2%
Market Cap - Wtd Mdn Bil	22.8 USD	23.6 USD
Number of Equity Holdings	212	193
% Long/Short	100.8%	95.3%

SECTORS (%)

Sector	Long	Short
Communication Services	6.5	-7.7
Consumer Discretionary	16.3	-14.1
Consumer Staples	2.6	-2.1
Energy	4.5	-6.5
Financials	20.1	-13.6
Health Care	10.2	-8.8
Industrials	15.7	-18.7
Information Technology	16.2	-17.0
Materials	6.2	-4.1
Real Estate	1.2	0.0
Utilities	1.3	-2.6

MARKET CAP BAND EXPOSURES ($B)

	Long	Short
Small (5.6 & Below)	7.1	-5.6
Small - Medium (5.6 To 20.6)	37.5	-39.6
Medium (20.6 To 52.7)	28.2	-24.0
Medium - Large (52.7 To 155.0)	16.7	-20.5
Large (155.0 & Above)	11.2	-5.5

TOP HOLDINGS

Company	%
Genmab A/S	1.4
Accenture PLC	1.2
AP Moller - Maersk A/S	1.1
Nucor Corp	1.1
Incyte Corp	1.0
Total	**5.8**

TOP COUNTRIES (%)

Country	Long	Short
United States	51.1	-46.1
Japan	6.3	-6.2
South Korea	4.4	-3.5
Canada	4.0	-4.9
United Kingdom	3.7	-4.7
Taiwan	3.1	-1.6
Netherlands	2.7	-1.5
Germany	2.5	-3.5
Denmark	2.5	-1.8
Sweden	2.5	-1.7

REGIONS (%)

Region	Long	Short
United States	51.1	46.1
Europe ex UK (Developed)	19.2	18.4
Emerging	13.1	11.7
Other International	7.5	8.1
Japan	6.3	6.2
United Kingdom	3.7	4.7

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IMPORTANT INFORMATION

Index(es): The FTSE 3-Month Treasury Bill Index is an independently maintained and widely published index comprised of short-term U.S. Treasury bills.

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.

GLOSSARY

Region Exposures: Based on equity holdings in equity and equity long/short group allocations, as applicable. Long/short exposures are shown as a % of the long/short book.
Risk Statistics: Risk profile data is net of fees. Sharpe Ratio is the return over the risk free rate per unit of risk. Std Deviation is a measure of the volatility of a portfolio. Drawdown is based on the portfolio's worst performance over the period based on monthly observations.
Sector Exposures: The Global Industry Classification Standard (GICS) is the exclusive intellectual property of MSCI Inc. (MSCI) and Standard & Poor's, a division of The McGraw-Hill Companies, Inc. (S&P). Neither MSCI, S&P, nor any third party makes any representations or warranties, express or implied, with respect to GICS or the results to be obtained by the use thereof, and expressly disclaim all warranties, including of merchantability and fitness for a particular purpose. Neither MSCI, S&P, nor any third party shall have any liability for any damages of any kind relating to the use of GICS. **Top Holdings:** Portfolio holdings are percent of equity. Where applicable, the top holdings are derived by looking through to the underlying portfolios in which the asset allocation strategy invests and, where appropriate, individual security positions are aggregated. They are subject to change and should not be considered a recommendation to buy individual securities. 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.
Please refer to https://www.gmo.com/americas/glossary-of-terms/ for additional portfolio characteristic definitions.

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.

AMSTERDAM | BOSTON | LONDON | SAN FRANCISCO* | SINGAPORE | SYDNEY | TOKYO**

*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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