

QUARTERLY INVESTMENT REVIEW

Emerging Markets ex-China Strategy

Performance returns (USD)

ANNUALIZED RETURNS (QUARTER-END)	Quarter-End	YTD	1-Year	3-Year	5-Year	10-Year	Since Inception
Emerging Markets ex-China Strategy (net)	-2.16	-2.16	-3.69	2.37	-	-	-4.37
Emerging Markets ex-China Strategy (gross)	-1.99	-1.99	-3.02	3.12	-	-	-3.67
MSCI Emerging Markets ex-China	-1.72	-1.72	-1.82	0.74	-	-	-0.03
Value Add	-0.44	-0.44	-1.87	+1.63	-	-	-4.34

MAJOR PERFORMANCE DRIVERS

Global markets diverged again in the first quarter of 2025, with markets outside the U.S. posting positive returns while the U.S. fell, a reversal of the strong U.S. performance seen in the fourth quarter of 2024. Within emerging markets, China's rebound was key to the positive outcome. The performance of emerging markets outside of China was slightly negative, but well ahead of U.S. market returns. The environment was characterized by continued trade policy uncertainties and shifting investor sentiment.

The portfolio trailed the MSCI Emerging Markets ex China index in a quarter where Value outperformed Growth. Value models worked well in this environment, as did Network Momentum signals and our Alerts, which help to identify potential Value traps. However, stocks identified as having good idiosyncratic stock momentum struggled, which contributed to portfolio underperformance.

Stock selection in India was a top detractor, including overweight positions toward Health Care and Energy, which each contributed to negative stock selection for their respective sectors. Other detractors included underweight positioning toward South Africa and Poland, and overweight positioning toward Indonesia.

Top positive contributors included overweight positioning toward Hungary Financials, Brazil Utilities, and Korea Consumer Discretionary. An underweight allocation toward Information Technology also contributed positively.

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) 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; and (3) Currency Risk: fluctuations in exchange rates can adversely affect the market value of the Fund's non-U.S. currency holdings and investments denominated in non-U.S. currencies. This is not a complete list of risks associated with investing in the Strategy. Please contact GMO for more information.

Composite Inception Date: 31-Oct-21

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.

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PRODUCT OVERVIEW

The GMO Emerging Markets ex-China Strategy seeks total return in excess of that of its benchmark, the MSCI Emerging Markets ex-China Index. GMO uses proprietary quantitative techniques and fundamental analysis to evaluate and select countries, sectors, and equity investments based on factors including, but not limited to, valuation, quality, patterns of price movement and volatility, and macroeconomic factors. GMO also may consider ESG (environmental, social and governance) criteria and expects the Strategy will have a value bias relative to its benchmark.

IMPORTANT INFORMATION

Benchmark(s): The MSCI Emerging Markets ex China Index is an independently maintained and widely published index which captures large and mid cap representation within Emerging Markets (EM) countries, excluding China. 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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*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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