

QUARTERLY INVESTMENT REVIEW

International Equity Strategy

Performance returns (USD)

ANNUALIZED RETURNS (QUARTER-END)	Quarter-End	YTD	1-Year	3-Year	5-Year	10-Year	Since Inception
International Equity Strategy (net)	6.32	30.65	27.05	28.13	15.50	9.41	7.91
International Equity Strategy (gross)	6.52	31.35	27.97	29.06	16.33	10.21	8.67
MSCI EAFE +	4.77	25.14	14.99	21.70	11.16	8.17	6.99
Value Add vs. MSCI EAFE +	+1.56	+5.51	+12.06	+6.44	+4.34	+1.24	+0.92
MSCI EAFE Value	7.39	31.92	22.53	25.65	15.66	8.16	6.85
Value Add vs. MSCI EAFE Value	-1.07	-1.27	+4.52	+2.48	-0.17	+1.26	+1.06

MAJOR PERFORMANCE DRIVERS

Global equity markets performed well again in the third quarter, despite the fluid global tariff environment and geopolitical uncertainties. Developed markets posted positive returns amid continued optimism around AI and expectations that companies will be able to navigate the real-world impact of trade tensions.

Value outperformed growth in the quarter and quality stocks struggled, as measured by the MSCI EAFE Value and MSCI EAFE Quality indexes, respectively. Stocks with few red flags from our Alerts suite of signals underperformed the broader market, echoing the headwinds faced by higher quality companies. However, strong performance from both Value and Momentum models overcame the quality headwinds and contributed to the portfolio's outperformance.

A diverse set of positions underpinned portfolio results. Successful stock picking in European Financials continues to add value, including overweight positioning in Banco Bilbao Vizcaya Argentaria (Spain) and Deutsche Bank (Germany). Underweight positioning in expensive names also added to performance, with Novo Nordisk (Danish Health Care) and SAP (German Information Technology) among the top contributors in this category.

Areas of underperformance in the quarter included stock selection in Japan and France. Headwinds included overweight positioning in Japanese Communication Services, as well as Japanese and French Industrials. Underweight positioning in Japanese Financials also detracted, but this was more than offset by the success of our preferred European bank holdings.

Portfolio weights, as a percent of equity, for the positions mentioned were: Banco Bilbao Vizcaya Argentaria (3.2%), Deutsche Bank (2.9%), Novo Nordisk (0.0%), and SAP (0.0%).

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) Management and Operational Risk: the risk that GMO's investment techniques will fail to produce desired results, including annualized returns and annualized volatility. This is not a complete list of risks associated with investing in the Strategy. Please contact GMO for more information.

Composite Inception Date: 31-Mar-87

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.** Returns include a substantial, one-time litigation settlement recovery received on December 16, 2024. This event contributed 5.25% 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. 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.

QUARTERLY INVESTMENT REVIEW

PRODUCT OVERVIEW

The GMO International Equity Strategy seeks to generate high total return by investing primarily in non-U.S. developed market equities. The Strategy measures its performance against the MSCI EAFE Index for performance comparison purposes.

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 this inefficiency by utilizing a multi-factor valuation model in conjunction with other methods, such as momentum and corporate alerts, to identify mispriced equity securities.

IMPORTANT INFORMATION

Comparator Index(es): The MSCI EAFE + (Europe, Australasia, and Far East) Index is an internally maintained benchmark computed by GMO, comprised of (i) the MSCI EAFE (Europe, Australasia, and Far East) Value Index (MSCI Standard Index Series, net of withholding tax) through 06/30/2014 and (ii) the MSCI EAFE (Europe, Australasia, and Far East) Index (MSCI Standard Index Series, net of withholding tax) thereafter. 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 MSCI EAFE (Europe, Australasia, and Far East) Value Index (MSCI Standard Index Series, net of withholding tax) is an independently maintained and widely published index comprised of international large and mid capitalization stocks that have a value style. Large and mid capitalization stocks encompass approximately 85% of each market's free float-adjusted market capitalization. Style is determined using a multi-factor approach based on historical and forward-looking characteristics. 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

**Representative Office

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