



TRADING GMO ACTIVE ETFs

Best Practices for Trade Execution

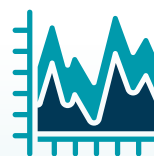
GMO Active ETFs

BUILT FOR LIQUIDITY. ENGINEERED FOR ALPHA.

GMO's Active ETFs deliver institutional-grade strategies in a transparent, flexible wrapper. [Our design prioritizes](#) →

This structure allows smoother execution and greater flexibility without sacrificing the alpha that defines GMO's legacy. Core strategies, such as GMO's Quality and Value portfolios, are now available to all investors in a low-friction ETF format.

[Contact your GMO representative](#) for tailored guidance on ETF execution.



Tight spreads through highly liquid underlying assets, reducing transaction costs.



Tax efficiency via in-kind transfers that minimize capital gains, preserving after-tax returns.



True liquidity beyond daily volumes - enabled by active engagement with Authorized Participants (APs) and Market Makers, ensuring large trades can be executed without undue market impact.

Best Practices for Trading Active ETFs

1 USE LIMIT ORDERS FOR PRICE CONTROL

Avoid market orders, which can lead to poor fills during volatility or thin liquidity. Marketable limit orders allow you to set a price close to the current bid/ask, balancing execution speed and cost control.

2 TRADE MIDDAY FOR OPTIMAL SPREADS

Bid/ask spreads are widest at market open and during price discovery. Mid-session trading generally offers tighter spreads and deeper liquidity.

3 MONITOR LIQUIDITY BEYOND ADV

Average Daily Volume (ADV) alone does not fully reflect ETF liquidity. For less liquid ETFs, liquidity is driven by the tradability of the underlying basket securities. GMO's capital markets insight can help inform execution approaches and identify potential liquidity sources, helping to mitigate market impact

4 MANAGE VOLATILITY AND EVENT RISK

Major economic releases, earnings, and Fed announcements can widen spreads and create NAV premiums/discounts. Use limit orders and/or avoid trading during these periods to protect execution quality.

5 ENGAGE CAPITAL MARKETS TEAMS AND RFQ PLATFORMS

For large or complex trades, use Request for Quote (RFQ) platforms to solicit competitive bids from multiple liquidity providers. RFQ trading minimizes market impact and often results in better pricing than screen liquidity. GMO's trading desk can help clients facilitate efficient execution.

What Distinguishes GMO's Active ETFs

- **Institutional Execution Support:** Direct engagement with APs and liquidity providers for large trades.
- **Low Friction, High Transparency:** Designed for efficient portfolio implementation.
- **Alpha and Liquidity:** Strategies engineered for performance without compromising tradability.

GMO Active ETF Lineup

We are committed to offering investment solutions in the implementation structures that best address investor needs. Our ETF suite offers access to several of GMO's core investment capabilities where we see compelling opportunities today.

Multi-Asset Class

GMOD

Dynamic Allocation ETF (GMOD)

High-Quality Equity

QLTY

U.S. Quality ETF (QLTY)

QLTI

International Quality ETF (QLTI)

Value Equity

GMOV

U.S. Value ETF (GMOV)

GMOI

International Value ETF (GMOI)

Deglobalization

BCHI

Beyond China ETF (BCHI)

DRES

Domestic Resilience ETF (DRES)

Fixed Income

INVG

Systematic Investment Grade Credit ETF (INVG)

GMOC

Ultra-Short Income ETF (GMOC)

For more information about our suite of ETFs, visit [GMO.com/ETFs](https://www.gmo.com/ETFs).

An investor should carefully consider the fund's investment objectives, risks, charges, and expenses before investing. This and other important information can be found in the fund's prospectus. To obtain a prospectus, please visit www.gmo.com. Read the prospectus carefully before investing. Investing involves risk, including the possible loss of principal. The GMO ETFs are distributed in the United States by Foreside Fund Services LLC. GMO and Foreside Fund Services LLC are not affiliated.

Term Definitions

Alpha: A measure of an investment's excess return relative to a benchmark, after accounting for the risk taken.

Institutional-grade strategies: Professional investment approaches designed and used by large investors (like pension funds, endowments, hedge funds, or asset managers) to manage large amounts of capital with discipline, risk control, and long-term performance in mind.

Spread: A spread measures the gap between two financial values, and that gap often reflects risk, cost, liquidity, or opportunity.

Bid-ask spread: The gap between buy and sell prices, which represents trading costs and liquidity.

In-kind transfer: Moves assets (stocks, bonds, ETFs) directly between accounts without selling them for cash, allowing investors to switch institutions or transfer investments without triggering taxable events.

Authorized Participants: Large financial institutions that can create and redeem ETF shares directly with the issuer.

Market makers: Firms that continuously quote buy and sell prices and facilitate trading on the exchange.

Limit order: An instruction to buy or sell a security at a specific price (or better).

Market order: An instruction to buy or sell a stock (or ETF) immediately at the best available price in the market.