

# INTERNATIONAL QUALITY ETF

## OVERVIEW

The GMO International Quality ETF seeks to generate total return by investing primarily in non-U.S. equities the Focused Equity team believes to be of high quality.

The team believes that companies with established track records of historical profitability and strong fundamentals – high quality companies – are able to outgrow the average company over time and are therefore worth a premium price. The GMO International Quality ETF's disciplined approach uses both quantitative and fundamental techniques to assess the relative quality and valuation of non-U.S. companies and aims to exploit a long-term investment horizon while withstanding short-term volatility in an actively managed ETF format.

## WHY GMO QUALITY

- GMO is a pioneer in quality investing with 40+ years of experience
- Our valuation focus seeks to enhance returns and mitigate risk
- The actively managed ETF structure may offer tax efficiency

## CUMULATIVE TOTAL RETURNS (USD, NET OF FEES, %)

	<i>MTD</i>	<i>QTD</i>	<i>YTD</i>	<i>2024</i>
NAV	3.97	8.44	11.46	-8.42
Index	4.71	9.48	16.27	-3.97
Market Price	4.01	8.25	11.69	-8.49
Index	4.71	9.48	16.27	-3.97

## ANNUALIZED TOTAL RETURNS (USD, NET OF FEES, %)

	<i>1 Year</i>	<i>3 Years</i>	<i>5 Years</i>	<i>10 Years</i>	<i>ITD</i>
NAV	-	-	-	-	2.07
Index	-	-	-	-	11.65
Market Price	-	-	-	-	2.21
Index	-	-	-	-	11.65

NAV Inception Date: 28-Oct-24

Market Price Inception Date: 28-Oct-24

**Performance data quoted represents past performance and is not indicative of future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance data may be lower or higher than the performance data provided herein. To obtain performance information to the most recent month-end, visit [www.gmo.com](http://www.gmo.com).** Exchange Traded Funds (ETFs) are bought and sold through exchange trading at market price (not NAV), and are not individually redeemed from the fund. Shares may trade at a premium or discount to their NAV in the secondary market. Brokerage commissions will reduce returns. 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.

## PORTFOLIO MANAGEMENT



**Tom Hancock**  
Joined GMO in 1995  
MS, Rensselaer  
Polytechnic Institute;  
PhD, Harvard University



**Ty Cobb, CFA**  
Joined GMO in 1997  
MS, Suffolk University



**Anthony Hene, CFA**  
Joined GMO in 1995  
MS, University of Oxford

## FACTS

Inception	28-Oct-24
Ticker	QLTI
CUSIP	90139K308
Exchange	NYSE
Total Assets	\$46mm USD
Index	MSCI World ex USA

## ANNUAL EXPENSES (%)

Total Annual Fund Operating Expenses	0.60
Expense Ratio	0.60

**Expense Ratio is equal to the Fund's Total Annual Operating Expenses set forth in the Fund's most recent prospectus dated October 28, 2024.**

**Risks:** Risks associated with investing in the Fund 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) 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. For a more complete discussion of these and other risks, please consult the Fund's Prospectus. **Performance Returns:** Returns shown for periods greater than one year are on an annualized basis. Exchange Traded Funds (ETFs) are bought and sold through exchange trading at market price (not NAV), and are not individually redeemed from the fund. Shares may trade at a premium or discount to their NAV in the secondary market. Brokerage commissions will reduce returns.

## INTERNATIONAL QUALITY ETF

## CHARACTERISTICS

	<i>Portfolio</i>	<i>Index</i>
Price/Earnings - Forecast 1 Yr Wtd Mdn	21.9x	16.0x
Return on Equity - Forecast 1 Yr Wtd Mdn	24.0%	14.3%
Market Cap - Wtd Mdn Bil	60.5 USD	57.7 USD
Number of Equity Holdings	34	760
Net Debt/EBITDA - Hist 1 Yr Wtd Mdn	0.5x	1.1x

## SECTORS (%)

<i>Sector</i>	<i>Portfolio</i>	<i>Index</i>
Communication Services	0.0	4.8
Consumer Discretionary	17.1	9.4
Consumer Staples	22.8	7.8
Energy	0.0	4.6
Financials	0.0	25.3
Health Care	19.2	10.2
Industrials	15.2	17.8
Information Technology	18.9	8.6
Materials	5.6	6.3
Real Estate	0.0	1.7
Utilities	0.0	3.4

## MARKET CAP BAND EXPOSURES (\$B)

	<i>Portfolio</i>	<i>Index</i>
Small (5.5 & Below)	1.4	2.4
Small - Medium (5.5 To 17.7)	9.3	16.8
Medium (17.7 To 46.7)	22.2	25.3
Medium - Large (46.7 To 130.0)	30.7	36.2
Large (130.0 & Above)	36.4	19.3

## TOP COUNTRIES (%)

<i>Country</i>	<i>Portfolio</i>	<i>Index</i>
France	22.6	9.9
United Kingdom	14.9	13.2
Switzerland	10.0	8.6
Spain	9.3	2.9
Germany	9.2	9.2
Japan	5.6	19.5
Ireland	5.1	0.3
Taiwan	4.6	0.0
Netherlands	3.9	4.1
Denmark	3.9	2.1

## REGIONS (%)

<i>Region</i>	<i>Portfolio</i>	<i>Index</i>
Europe	84.2	59.0
Rest of World	14.6	41.0
Cash Equivalents	1.2	0.0

## TOP HOLDINGS

<i>Company</i>	<i>Sector</i>	<i>%</i>
SAP SE	Information Technology	5.8
Amadeus IT Group SA	Consumer Discretionary	4.8
Taiwan Semiconductor Manufacturing Co Ltd	Information Technology	4.6
Industria de Diseno Textil SA	Consumer Discretionary	4.5
Haleon PLC	Consumer Staples	4.4
Safran SA	Industrials	4.2
Unilever PLC	Consumer Staples	4.0
ASML Holding NV	Information Technology	3.9
Compass Group PLC	Consumer Discretionary	3.9
LVMH Moet Hennessy Louis Vuitton SE	Consumer Discretionary	3.9
<b>Total</b>		<b>44.0</b>

# INTERNATIONAL QUALITY ETF

## IMPORTANT INFORMATION

**An investor should consider the fund's investment objectives, risks, charges and expenses before investing. This and other important information can be found in the funds prospectus. To obtain a prospectus please visit [www.gmo.com](http://www.gmo.com). Read the prospectus carefully before investing.**

**Index(es):** The MSCI World ex-USA Index (MSCI Standard Index Series, net of withholding tax) is an independently maintained and widely published index comprised of global developed markets, excluding the United States. 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.

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## GLOSSARY

**Country Exposures:** Based on equity holdings. **Region Exposures:** Based on equity holdings.

**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 funds in which the asset allocation funds invest and, where appropriate, individual security positions are aggregated. They are subject to change and should not be considered a recommendation to buy individual securities.

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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.

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

\*\*Representative Office

[www.GMO.com](http://www.GMO.com)