

# GMO INTERNATIONAL QUALITY

## 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.

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

	MTD	QTD	YTD	2025	2024
NAV	4.38	4.38	-2.44	16.90	-8.42
Index	7.39	7.39	6.39	31.85	-3.97
Market Price	4.51	4.51	-1.88	17.11	-8.49
Index	7.39	7.39	6.39	31.85	-3.97

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

	1 Year	3 Years	5 Years	10 Years	ITD
NAV	6.38	-	-	-	2.93
Index	26.33	-	-	-	21.92
Market Price	7.01	-	-	-	3.40
Index	26.33	-	-	-	21.92

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.

## FACTS

Inception	28-Oct-24
Ticker	QLTI
CUSIP	90139K308
Exchange	NYSE
Total Assets	\$279mm USD
Index	MSCI World ex USA

## RISK PROFILE (SINCE INCEPTION 31-OCT-24)

Alpha (Jensen's)	-19.12
Beta	1.04
R Squared	0.92
Sharpe Ratio	0.05
Standard Deviation	14.19

## ANNUAL EXPENSES (%)

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 28 October 2025.**

## PORTFOLIO MANAGEMENT



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



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



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

**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.

## GMO INTERNATIONAL QUALITY

## CHARACTERISTICS

	<i>Portfolio</i>	<i>Index</i>
Price/Earnings - Forecast 1 Yr Wtd Mdn	19.6x	15.7x
Return on Equity - Forecast 1 Yr Wtd Mdn	25.4%	15.4%
Market Cap - Wtd Mdn Bil	64.7 USD	65.8 USD
Number of Equity Holdings	35	752
Net Debt/EBITDA - Hist 1 Yr Wtd Mdn	1.0x	1.2x

## SECTORS (%)

<i>Sector</i>	<i>Portfolio</i>	<i>Index</i>
Communication Services	0.0	3.7
Consumer Discretionary	15.2	7.6
Consumer Staples	21.4	6.5
Energy	0.0	5.9
Financials	0.0	26.6
Health Care	16.6	9.2
Industrials	21.1	18.5
Information Technology	18.6	9.4
Materials	7.1	7.2
Real Estate	0.0	1.6
Utilities	0.0	3.9

## MARKET CAP BAND EXPOSURES (\$B)

	<i>Portfolio</i>	<i>Index</i>
Small (6.4 & Below)	4.3	2.5
Small - Medium (6.4 To 20.6)	12.5	16.3
Medium (20.6 To 53.7)	25.6	24.1
Medium - Large (53.7 To 149.2)	31.2	36.3
Large (149.2 & Above)	26.4	20.7

## TOP HOLDINGS

<i>Company</i>	<i>Sector</i>	<i>%</i>
Taiwan Semiconductor Manufacturing Co Ltd	Information Technology	5.9
Industria de Diseno Textil SA	Consumer Discretionary	5.0
Novartis AG	Health Care	4.1
Air Liquide SA	Materials	4.0
L'Oreal SA	Consumer Staples	4.0
LVMH Moet Hennessy Louis Vuitton SE	Consumer Discretionary	3.9
Roche Holding AG	Health Care	3.8
Haleon PLC	Consumer Staples	3.7
Kerry Group PLC	Consumer Staples	3.6
ASML Holding NV	Information Technology	3.5
<b>Total</b>		<b>41.5</b>

## TOP COUNTRIES (%)

<i>Country</i>	<i>Portfolio</i>	<i>Index</i>
France	22.5	8.8
United Kingdom	13.6	13.1
Switzerland	11.0	8.1
Spain	8.0	3.4
Japan	7.6	20.2
Germany	6.5	8.0
Taiwan	5.8	0.0
Ireland	5.5	0.4
Netherlands	3.7	4.7
Sweden	3.2	3.1

## REGIONS (%)

<i>Region</i>	<i>Portfolio</i>	<i>Index</i>
Europe	78.8	57.2
Rest of World	19.8	42.8
Cash Equivalents	1.4	0.0

# GMO INTERNATIONAL QUALITY

## 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.

The GMO ETFs are distributed in the United States by Foreside Fund Services LLC. GMO and Foreside Fund Services LLC are not affiliated.

## GLOSSARY

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

**Risk Statistics:** Risk profile data is net of fees. Alpha is a measure of risk-adjusted return. Beta is a measure of a portfolio's sensitivity to the market. R-Squared is a measure of how well a portfolio tracks the market. 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.

**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.

Please refer to <https://www.gmo.com/americas/glossary-of-terms/> for additional portfolio characteristic definitions.

## GMO | PARTNERS IN INVESTING

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