EMERGING MARKETS EQUITY

OVERVIEW

The GMO Emerging Markets Equity Strategy seeks total return by investing primarily in emerging (non-developed) market equities. The Strategy measures its performance against the MSCI Emerging Markets Index.

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

FACTS

Strategy Inception	09-Dec-93
Composite Inception	31-Dec-93
Total Assets	$1.8bn USD
Benchmark	MSCI Emerging Markets +
Alternate Benchmark	MSCI Emerging Markets

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

	MTD	QTD	YTD	2025	2024	2023	2022	2021
Composite	1.34	5.86	36.93	33.78	3.30	19.70	-31.12	2.54
Benchmark	-0.56	-0.37	23.38	33.57	7.50	9.83	-20.09	-2.54
Alternate Benchmark	-0.56	-0.37	23.38	33.57	7.50	9.83	-20.09	-2.54

RISK PROFILE (5-YEAR TRAILING)

Alpha (Jensen's)	0.31
Beta	1.00
R Squared	0.85
Sharpe Ratio	0.27
Standard Deviation	19.67

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

	1 Year	3 Years	5 Years	10 Years	ITD
Composite	44.47	28.81	9.24	8.54	7.32
Benchmark	29.22	24.09	8.94	9.17	6.50
Alternate Benchmark	29.22	24.09	8.94	9.09	5.99

PORTFOLIO MANAGEMENT



George Sakoulis
Joined GMO in 2020
MA & PhD, University of Washington



Warren Chiang, CFA
Joined GMO in 2015
MBA, University of California, Berkeley

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.

Performance Returns: 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 indicative of future results.** 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. **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.** Formerly GMO Emerging Markets Strategy.

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CHARACTERISTICS

	Portfolio	Benchmark
Price/Earnings - Forecast 1 Yr Wtd Mdn	9.7x	13.5x
Price/Earnings - Hist 1 Yr Wtd Mdn	12.7x	16.7x
Price/Book - Hist 1 Yr Wtd Avg	1.5x	2.4x
Price/Cash Flow - Hist 1 Yr Wtd Mdn	9.7x	13.3x
Return on Equity - Hist 1 Yr Mdn	17.4%	24.1%
Debt/Equity - Wtd Mdn	0.3x	0.2x
Dividend Yield - Hist 1 Yr Wtd Avg	3.3%	2.0%
Market Cap - Wtd Mdn Bil	16.6 USD	40.6 USD
Number of Equity Holdings	153	1028
Active Share	64.6%	N/A

SECTORS (%)

Sector	Portfolio	Benchmark
Communication Services	0.4	5.9
Consumer Discretionary	9.7	7.4
Consumer Staples	3.7	2.6
Energy	7.9	3.4
Financials	19.0	19.4
Health Care	4.6	2.7
Industrials	12.9	6.3
Information Technology	37.4	43.8
Materials	3.2	5.8
Real Estate	0.0	1.0
Utilities	1.1	1.9

MARKET CAP BAND EXPOSURES ($B)

	Portfolio	Benchmark
Small (5.9 & Below)	33.5	12.9
Small - Medium (5.9 To 20.2)	24.2	22.9
Medium (20.2 To 51.9)	13.9	19.9
Medium - Large (51.9 To 161.5)	2.4	7.8
Large (161.5 & Above)	26.0	36.4

TOP HOLDINGS

Company	Country	Sector	%
Taiwan Semiconductor Manufacturing Co Ltd	Taiwan	Information Technology	15.2
Samsung Electronics Co Ltd	South Korea	Information Technology	7.3
SK hynix Inc	South Korea	Information Technology	3.3
Evergreen Marine Corp Taiwan Ltd	Taiwan	Industrials	3.0
LG Electronics Inc	South Korea	Consumer Discretionary	2.8
Kasikornbank PCL	Thailand	Financials	2.1
Kia Corp	South Korea	Consumer Discretionary	2.1
Krung Thai Bank PCL	Thailand	Financials	2.1
Lenovo Group Ltd	China	Information Technology	2.0
Orient Overseas International Ltd	Hong Kong	Industrials	2.0
Total			**41.9**

TOP COUNTRIES (%)

Country	Portfolio	Benchmark
Taiwan	30.3	28.9
South Korea	21.5	21.4
China	16.7	19.8
Thailand	8.1	0.9
India	4.9	10.7
Brazil	4.1	4.1
Saudi Arabia	3.8	2.3
Viet Nam	2.0	0.0
Peru	1.5	0.4
Turkey	1.5	0.4

REGIONS (%)

Region	Portfolio	Benchmark
East Asia (Emerging)	68.5	70.4
South Asia (Emerging)	15.1	12.9
Mideast/Africa (Emerging)	5.6	7.5
Latin/South America (Emerging)	5.6	6.6
Europe (Emerging)	4.4	2.6
Developed	0.4	0.0
Cash Equivalents	0.3	0.0

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IMPORTANT INFORMATION

Benchmark(s): The MSCI Emerging Markets + Index is an internally maintained benchmark computed by GMO, comprised of (i) the S&P/IFCI Composite through12/31/2018 and (ii) the MSCI Emerging Markets Index (MSCI Standard Index Series, net of withholding tax) thereafter. S&P does not guarantee the accuracy, adequacy, completeness or availability of any data or information and is not responsible for any errors or omissions from the use of such data or information. Reproduction of the data or information in any form is prohibited except with the prior written permission of S&P or its third party licensors. 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 Emerging Markets Index (MSCI Standard Index Series, net of withholding tax) is an independently maintained and widely published index comprised of global emerging markets large and mid capitalization stocks. 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.

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GLOSSARY

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 portfolios in which the asset allocation strategy invests and, where appropriate, individual security positions are aggregated. They are subject to change and should not be considered a recommendation to buy individual securities. 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. This portfolio continues to hold de minimis Russian exposure as a result of past positioning and ongoing illiquidity. GMO has suspended net new purchases of Russian securities firm-wide.
Please refer to https://www.gmo.com/americas/glossary-of-terms/ for additional portfolio characteristic definitions.

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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