

QUARTERLY INVESTMENT REVIEW

International Quality Strategy

Performance returns (USD)

| ANNUALIZED RETURNS (QUARTER-END) | Quarter-End | YTD | 1-Year | 3-Year | 5-Year | 10-Year | Since Inception |
|--|-------------|-------|--------|--------|--------|---------|-----------------|
| International Quality Strategy (net) | 9.23 | 12.27 | - | - | - | - | 5.93 |
| International Quality Strategy (gross) | 9.40 | 12.61 | - | - | - | - | 6.35 |
| MSCI World ex USA | 12.05 | 18.99 | - | - | - | - | 16.08 |
| Value Add | -2.81 | -6.72 | - | - | - | - | -10.15 |

MAJOR PERFORMANCE DRIVERS

The International Quality portfolio has a positive quarter but trailed the MSCI World ex USA index, which finished the quarter up 12%. Generally we refrain from commenting on intra-quarter moves but the opening sentence does not begin to convey the drama and significance of recent stock market movements. For once, therefore, we will make an exception.

A precipitous decline hit global markets in the first days of the quarter as investors reacted to the “Liberation Day” imposition of tariffs on America’s friends and foes. Double-digit falls took the S&P 500 close to bear market territory, with the MSCI World not far behind. Quality likes chaos, at least in a relative sense, and the strategy held up approaching 3 percentage points better than the MSCI World ex USA index in the first couple weeks of the quarter. We have seen this relative behavior often in our Quality strategies as market participants naturally gravitate toward the more conservative, higher-quality businesses in moments of duress.

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) 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. This is not a complete list of risks associated with investing in the Strategy. Please contact GMO for more information.

Composite Inception Date: 31-Oct-24

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 does not yet have a GIPS-compliant report for this composite since it has not managed accounts in this strategy for a full year.** 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.

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MAJOR PERFORMANCE DRIVERS CONT.

Our approach to macro events is typically to navigate using the rear view mirror, i.e., by reacting rather than forecasting. Short-term macro events are hard to predict and even harder to invest ahead of (as what's already in the price is never telegraphed clearly). Instead, when there has been some sort of macro excitement, we look for opportunities to buy what is being put on sale. On this occasion, we took the opportunity to add to more cyclical Quality Value positions – e.g., Dassault Systemes and Knorr-Bremse – that had been hit relatively hard, funded by a portion of traditionally more defensive holdings from Quality Core, e.g., in Consumer Staples.

Our intention was to continue to trade along these broad lines should the sell-off persist but the buying opportunity turned out to be short-lived. What followed was one of the most explosive rallies in modern stock market history. Returns were highest in AI, crypto, clean energy, and other varieties of “risk on.” Stock markets rose by almost 25% in 11 weeks. This latter part of the quarter was a challenging period for the strategy in a relative sense. The quid pro quo for our approach's tendency to win in weak markets is a propensity to lose in raging markets and this was one for the books.

Consumer Staples and Health Care were notable laggards in terms of GICS sector returns, balancing out stronger returns in Technology. Of the two, Health Care was particularly impactful. The portfolio's holdings here span the gamut of pharmaceuticals, diagnostics, manufacturing equipment, optics, and consumer health care. These health care positions tended to lag the rebound. Pharmaceutical companies remain under the cloud of the political rhetoric, caught between U.S. tariff risk for overseas production (with manufacturing in low-tax Ireland in focus) and the possibility of constrained drug pricing in the U.S. (or perhaps reduced sales outside of the U.S. if “most favored nation” pricing sticks). The cloud is real but there is a building precedent for the administration to favor negotiated settlements; we expect that the demand for medical innovation to address unmet needs will remain an appropriately rewarded activity over time. Several of these names are well out of favor today.

As the aphorism goes, markets climb a wall of worry. It seems perverse in some ways that markets can shrug off unresolved trade spats and an escalation of conflict in the Middle East, and yet excitement over the possibilities of technology continues afresh. The market has its mojo back for now. We believe that there are quality businesses available at attractive prices as a result and we continue our work to identify them. We expect a certain amount of noise going forward as markets process the risks and impacts of evolving trade and other policies on companies and on the economy. The International Quality portfolio can offer participation in the fundamental returns of productive businesses with some market protection as events unfold.

We launched International Quality in order to provide diversification against the handful of tech names that dominate the U.S. market. Many of the world's leading businesses are listed outside the United States, and yet companies in international markets are lower-quality on average than those of listed in New York. We believe that this alternative portfolio of quality businesses represents a strong option for investors with heavy exposure to U.S. equity markets.

Portfolio weights, as a percentage of equity, for the securities mentioned are as follows: Dassault Systemes (3.2%), Knorr-Bremse (2.3%). Holdings subject to change.

QUARTERLY INVESTMENT REVIEW

PRODUCT OVERVIEW

The GMO International Quality Strategy 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 Strategy'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.

IMPORTANT INFORMATION

Comparator 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 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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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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