

ALTERNATIVE ALLOCATION STRATEGY

Quarterly Investment Review

Equity markets slowed in the third quarter following the rally we saw in April and May. Confidence in the AI theme wavered, and conflict in the Gulf failed to de-escalate. Despite these tensions, equity markets remained resilient. The S&P was up 2.3% and MSCI ACWI was up 1.6%. Bond markets proved to be less so, with the U.S. 10-year Treasury yield finishing the quarter at 5.29%, its highest level in over two decades. This pressure on interest rates weighed on the traditional 60% MSCI ACWI/40% Bloomberg U.S. Aggregate Bond Index portfolio, which finished the quarter down 46 basis points. The GMO Alternative Allocation portfolio had strong performance throughout the quarter.

Exhibit 1: Third Quarter Contribution Summary

	Ending Weight (%)	Gross Return (%)	Contribution To Return (%)
GMO Alternative Allocation (Net, Local Close)			7.5
GMO Alternative Allocation (Gross, Local Close)			7.9
Equity Dislocation	34	7.7	2.7
Quality Long/Short	32	2.5	0.8
World Market Neutral	30	2.1	0.7
Event Driven	26	0.5	0.1
EM FX	10	1.8	0.2
Global Macro	38	3.5	1.4
Managed Volatility	15	2.5	0.4
RV Credit	4	1.3	0.1
Trend	17	7.0	1.2
Cash and Collateral			0.3
Total	206		7.9

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.

MAJOR PERFORMANCE DRIVERS

Every sub-strategy in the portfolio made a positive contribution for the quarter. Importantly, the top three contributors relied on separate return drivers exploiting very different processes.

Equity Dislocation remains the largest risk allocation in the portfolio due to the outstanding opportunity we see in deep value equities vs. expensive growth globally. This wide spread should not be confused with any sort of AI theme that has been dominating market headlines. The opportunity set, as well as the portfolio, remains incredibly broad and is not concentrated in any country or sector. The third quarter was favorable for the strategy as ACWI Value beat ACWI Growth by over 4%. Equity Dislocation delivered strong alpha as well, returning 7.7% for the period. Both the short and the long side of the book delivered positive contributions, with the Industrials and IT sectors leading the way.

Global Macro reversed its performance starting in July, delivering 140 bps of contribution to ALTA. The largest source of gains came from the currency book, specifically long Japanese yen and Norwegian krone, while short Swiss franc and British pounds. The commodity book also added performance capitalizing on rising energy costs. Within equities, the portfolio benefited from short positions in Hong Kong, Taiwan, and India.

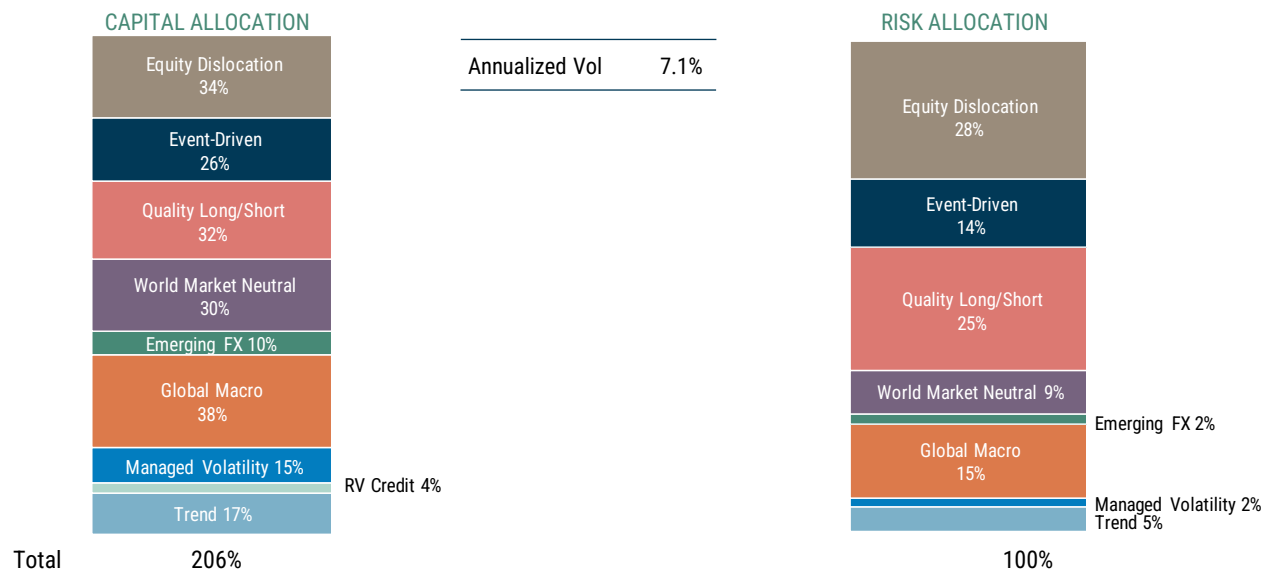
Trend Following continued a very strong year, up 7% for the quarter. We increased the allocation to Trend slightly in early July. Both versions of our multi-asset trend strategies are seeing their strongest signals from shorting global duration. Those positions paid off handsomely in September as the rise in global yields accelerated.

Quality Long/Short and **Market Neutral** combined to contribute 150 bps of performance, with both portfolios benefiting from solid stock selection.

ALTERNATIVE ALLOCATION STRATEGY

Quarterly Investment Review

Exhibit 2: Capital and Risk Allocation



While ALTA performed well this quarter, it is important to note that the portfolio continues to deliver on its other objectives. Volatility has been stable at 7% annualized. Contribution to performance has been balanced across return drivers. ALTA has remained a solid diversifier, as evidenced by low beta to equities, bonds, and commodities. These characteristics reinforce our conviction that GMO Alternative Allocation is a valuable addition to balanced portfolios.

Exhibit 3: Beta to Market

	S&P 500	EAFE	Emerging Equities	Commodities	U.S. Rates	DXY
BETA	-0.1	-0.1	-0.1	0.0	-0.2	0.3

ALTERNATIVE ALLOCATION STRATEGY

Quarterly Investment Review

ANNUALIZED RETURNS (USD, %) (QUARTER-END)

	Quarter-End	YTD	1-Year	3-Year	5-Year	10-Year	Since Inception
Alternative Allocation Strategy (net)	7.46	7.98	15.91	-	-	-	13.98
Alternative Allocation Strategy (gross)	7.72	8.75	17.01	-	-	-	15.06
FTSE 3-Mo. TBill	0.97	2.86	3.91	-	-	-	4.14
Value Add	+6.49	+5.12	+12.00	-	-	-	+9.84

RISKS

Risks associated with investing in the Strategy may include: (1) Management and Operational Risk: the risk that GMO's investment techniques will fail to produce desired results, including annualized returns and annualized volatility; (2) Leveraging Risk: the use derivatives and securities lending creates leverage. Leverage increases the Funds losses when the value of its investments (including derivatives) declines; and (3) Derivatives and Short Sales Risk: the use of derivatives involves the risk that their value may not change as expected relative to changes in the value of the underlying assets, pools of assets, rates, currencies or indices. Derivatives also present other risks, including market risk, illiquidity risk, currency risk, credit risk, and counterparty risk. This is not a complete list of risks associated with investing in the Strategy. Please contact GMO for more information.

Composite Inception Date: 31-Jan-25

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 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. 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.

IMPORTANT INFORMATION

Comparator Index(es): The FTSE 3-Month Treasury Bill Index is an independently maintained and widely published index comprised of short-term U.S. Treasury bills. 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. For private bank intermediaries in Singapore and Hong Kong, these materials are intended for institutional and Accredited/Professional Investors Use Only.

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.