QUALITY SPECTRUM STRATEGY

Quarterly Investment Review

PRODUCT OVERVIEW

GMO's Focused Equity team believes that high quality companies have a sustainable competitive advantage that allows them to be excessively profitable for many years into the future, while low quality "junk" companies lack sustainable competitive advantages and generally have risky business models. The GMO Quality Spectrum Strategy contains a concentrated long book of high quality companies and levers the long portfolio by shorting a diverse portfolio of "junk" companies, with an emphasis on valuation. The Strategy expects to generate equity-like returns over time, with the long quality/short junk element designed to provide a bulwark against market drawdowns.

MAJOR PERFORMANCE DRIVERS

In the third quarter, equity markets delivered modestly positive returns despite continued uncertainty around the AI transition and geopolitical events. The quarter saw some notable reversals in sentiment compared to the first half of the year, particularly within software and semiconductor stocks, as well as many Health Care stocks. The GMO Quality Spectrum portfolio outperformed the broader markets, and the portfolio's defensiveness reasserted itself. On the long side, the portfolio returned a little less than the benchmarks during the strong spell that began in the last few days of July and more than made up for it in the soggy patches. This was in line with the experience of the last decade or so, but in contrast with the first half of 2026, in which investors focused intensely on energy (in Q1) and AI winners (in Q2). The short side protected during those periods of volatility, adding modestly to absolute returns for the quarter.

During the quarter, MSCI World rose 2.3%. The Quality Spectrum portfolio outperformed the broader markets.

During the quarter, the long side of the Quality Spectrum portfolio returned 7.4%, with long positions within Information Technology, Health Care, and Communication Services contributing the most. The short portfolio returned 0.8% with short positions in Industrials and Communication Services contributing the most to positive returns, while short positions in Information Technology detracted. The long side averaged about 177% in exposure for the quarter, while the short side averaged about 77%. On the long side, top individual stock contributors included Microsoft, Thermo Fischer, Meta, and Salesforce.

We continue to believe that the Quality Spectrum portfolio is well-positioned. The long side is allocated to high-quality business models that are inherently defensible with superior fundamentals that will drive returns. Meanwhile, benchmark indices are becoming inherently more speculative, and the short portfolio is positioned accordingly. We believe that the GMO Quality Spectrum portfolio remains a compelling tool to achieve equity exposure while controlling for some of the market's baser animal instincts.

QUALITY SPECTRUM STRATEGY

Quarterly Investment Review

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

	Quarter-End	YTD	1-Year	3-Year	5-Year	10-Year	Since Inception
Quality Spectrum Strategy (net)	7.78	7.59	19.15	17.69	17.36	-	15.39
Quality Spectrum Strategy (gross)	8.19	8.80	20.95	19.28	18.78	-	16.72
50% ACWI 50% 3Mo TBill Blend	1.29	8.08	10.41	13.12	7.96	-	8.24
Value Add vs. 50% ACWI 50% 3Mo TBill Blend	+6.49	-0.49	+8.74	+4.57	+9.40	-	+7.15
MSCI ACWI	1.60	13.03	16.75	21.73	11.57	-	13.05
Value Add vs. MSCI ACWI	+6.18	-5.44	+2.40	-4.04	+5.78	-	+2.34

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) Short Investment Exposure Risk: a Fund will incur a loss as a result of a short sale if the price of the security, currency or other instrument increases between the date of the short sale and the date on which the Fund replaces the borrowed security, currency or other instrument. Conversely, the Fund will realize a gain if the price of the security, currency or other instrument declines between those dates. The amount of any gain will be decreased, and the amount of any loss increased, by the amount of the premium, dividends or interest the Fund may be required to pay in connection with a short sale. Short selling exposes a Fund to unlimited risk with respect to that security, currency or other instrument due to the lack of an upper limit on the price to which an investment can rise; and (3) Focused Investment Risk: the Fund invests its assets in the securities of a limited number of issuers, and a decline in the market price of a particular security held by the Fund may affect the Fund's performance more than if the Fund invested in the securities of a larger number of issuers. This is not a complete list of risks associated with investing in the Strategy. Please contact GMO for more information.

Composite Inception Date: 30-Nov-19

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 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.** 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 MSCI ACWI (All Country World) Index (MSCI Standard Index Series, net of withholding tax) is an independently maintained and widely published index comprised of global developed and emerging markets. 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. Please visit https://www.gmo.com/americas/benchmark-disclaimers/ to review the complete benchmark disclaimer notice.

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.

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