

# GLOBAL ALL COUNTRY EQUITY ALLOCATION

## OVERVIEW

The Strategy seeks to generate total return greater than that of the MSCI All Country World Index.

The philosophy that underlies all of GMO's Asset Allocation investment strategies is the belief that, at times and in the short term, the pricing of asset classes can deviate from true intrinsic value, but mean reverts to appropriate valuation levels over the long term. Using GMO's 7-Year Asset Class Forecasts, the Strategy seeks to allocate to areas of the global equity markets we believe are most attractively valued. Our approach combines the best of GMO's top-down Asset Allocation views and bottom-up equity research to identify mispricings at both the asset class and individual security levels. The Strategy allocates to equity strategies that are actively managed by other GMO investment teams with expertise and experience in security selection within their respective markets.

## FACTS

Strategy Inception	31-Dec-93
Composite Inception	31-Dec-93
Total Assets	\$1.4bn USD
Benchmark	MSCI ACWI ++
Alternate Benchmark	MSCI ACWI

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

	<i>MTD</i>	<i>QTD</i>	<i>YTD</i>	<i>2023</i>	<i>2022</i>	<i>2021</i>	<i>2020</i>	<i>2019</i>
Composite	3.71	6.50	6.50	22.35	-16.66	15.03	9.16	25.56
Benchmark	3.09	8.14	8.14	22.20	-18.36	18.54	16.25	26.60
Alternate Benchmark	3.09	8.14	8.14	22.20	-18.36	18.54	16.25	26.60

## RISK PROFILE (5-YEAR TRAILING)

Alpha (Jensen's)	-1.64
Beta	0.97
R Squared	0.92
Sharpe Ratio	0.39
Standard Deviation	17.81

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

	<i>1 Year</i>	<i>3 Years</i>	<i>5 Years</i>	<i>10 Years</i>	<i>ITD</i>
Composite	22.37	4.60	9.00	6.30	8.39
Benchmark	23.15	6.94	10.90	8.65	7.93
Alternate Benchmark	23.15	6.94	10.90	8.65	7.58

## PORTFOLIO MANAGEMENT



Ben Inker, CFA  
Joined GMO in 1992  
BA, Yale University



John Thorndike  
Joined GMO in 2015  
AB, Bowdoin College

**Risks:** Risks associated with investing in the Strategy may include Market Risk - Equities, Management and Operational Risk, Non-U.S. Investment Risk, Derivatives and Short Sales Risk, and Fund of Funds Risk. 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](http://www.gmo.com). **Performance Returns:** 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. **GMO LLC** claims compliance with the Global Investment Performance Standards (GIPS®). A Global Investment Performance Standards (GIPS®) Composite Report is available on [GMO.com](http://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 local market in which some accounts in the composite are priced was closed for Good Friday on March 29, 2024. Therefore, the performance for the strategy and corresponding benchmark will utilize March 28 for purposes of the ending valuation for the March return and the starting valuation for the April return.

## GLOBAL ALL COUNTRY EQUITY ALLOCATION

## PORTFOLIO ALLOCATIONS (%)

<i>Asset Class</i>	<i>Exposure</i>
<b>EQUITY</b>	<b>100.0</b>
US	5.1
Quality	11.9
Small Cap Quality	5.0
International Opportunistic Value	10.1
US Small Value	3.0
Japan Value	4.0
Developed ex-US	19.8
US Opportunistic Value	12.0
Quality Cyclicals	5.1
Resources	2.9
Emerging Markets	11.0
Emerging ex-China	10.0

## CHARACTERISTICS

	<i>Portfolio</i>	<i>Benchmark</i>
Price/Earnings - Hist 1 Yr Wtd Mdn	15.0x	26.7x
Price/Book - Hist 1 Yr Wtd Avg	1.7x	3.1x
Price/Cash Flow - Hist 1 Yr Wtd Mdn	11.1x	18.9x
Return on Equity - Hist 1 Yr Mdn	15.5%	18.8%
Dividend Yield - Hist 1 Yr Wtd Avg	3.5%	1.9%
Market Cap - Wtd Mdn Bil	28.4 USD	107.1 USD
Number of Equity Holdings	1216	2728

## TOP HOLDINGS

<i>Company</i>	<i>Country</i>	<i>Sector</i>	<i>%</i>
Taiwan Semiconductor Manufacturing Co Ltd	Taiwan	Information Technology	1.9
Alphabet Inc	United States	Communication Services	1.6
Meta Platforms Inc	United States	Communication Services	1.1
Microsoft Corp	United States	Information Technology	1.1
TotalEnergies SE	France	Energy	1.0
SAP SE	Germany	Information Technology	0.9
Roche Holding AG	Switzerland	Health Care	0.9
Petroleo Brasileiro SA	Brazil	Energy	0.8
Banco Bilbao Vizcaya Argentaria SA	Spain	Financials	0.8
Johnson & Johnson	United States	Health Care	0.7
<b>Total</b>			<b>10.8</b>

## MARKET CAP BAND EXPOSURES (\$B)

	<i>Portfolio</i>	<i>Benchmark</i>
Small (5.5 & Below)	21.7	3.5
Small - Medium (5.5 To 16.2)	19.8	10.0
Medium (16.2 To 41.9)	17.1	16.0
Medium - Large (41.9 To 115.9)	16.5	23.4
Large (115.9 & Above)	25.0	47.1

## SECTORS (%)

<i>Sector</i>	<i>Portfolio</i>	<i>Benchmark</i>
Communication Services	4.8	7.6
Consumer Discretionary	11.4	10.9
Consumer Staples	7.1	6.4
Energy	8.9	4.5
Financials	21.3	16.1
Health Care	9.5	11.1
Industrials	12.8	10.8
Information Technology	17.0	23.7
Materials	5.5	4.2
Real Estate	0.6	2.2
Utilities	1.0	2.5

## REGIONS (%)

<i>Region</i>	<i>Portfolio</i>	<i>Benchmark</i>
United States	37.7	63.8
Emerging	22.1	9.9
Europe ex UK (Developed)	18.8	12.0
Japan	11.3	5.5
United Kingdom	5.0	3.4
Other International	4.0	5.3
Cash Equivalents	1.2	0.0

## TOP COUNTRIES (%)

<i>Country</i>	<i>Portfolio</i>	<i>Benchmark</i>
United States	37.7	63.9
Japan	11.3	5.5
Taiwan	5.6	1.7
France	5.1	2.8
United Kingdom	5.0	3.4
India	2.7	1.8
Brazil	2.4	0.5
China	2.4	2.5
Spain	2.4	0.6
Netherlands	2.2	1.2

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## IMPORTANT INFORMATION

**Benchmark(s):** The MSCI ACWI ++ Index is an internally maintained benchmark computed by GMO, comprised of (i) GMO blended benchmark of Global All Country Equity Allocation Composite through 06/30/2014 and (ii) MSCI ACWI (All Country World) Index (MSCI Standard Index Series, net of withholding tax) thereafter. The GMO blended benchmark of Global All Country Equity Allocation Composite is comprised of a weighted average of account benchmarks; many of the account benchmarks consist of MSCI ACWI (All Country World Index) (MSCI Standard Index Series, net of withholding tax) or some like proxy for each market exposure they have. For each underlying account benchmark, the weighting of each market index will vary slightly. The index is internally blended by GMO and maintained on a monthly basis. 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. 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.

## GLOSSARY

**Portfolio Allocations:** Weightings are as of the date indicated and are subject to change. The groups indicated above represent exposures determined pursuant to proprietary methodologies and are subject to change over time. Totals may vary due to rounding. Group weights under 1% are not reflected.

**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. 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.

## 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

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