

EMERGING LIQUIDITY PREMIUM

OVERVIEW

The GMO Emerging Liquidity Premium Strategy seeks to generate total return in excess of that of its benchmark, the MSCI Emerging Markets Small Cap Index. The Strategy is designed to deliver the illiquidity premium, which is related to but not the same as the small cap premium. The team applies both quantitative and fundamental insights to evaluate countries, sectors, and stocks, using an investment process focused on value and also informed by quality and sentiment inputs.

FACTS

Strategy Inception	31-Mar-17
Composite Inception	31-Mar-17
Total Assets	\$66mm USD
Benchmark	MSCI Emerging Markets Small Cap
Alternate Benchmark	MSCI Emerging Markets

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	0.02	0.02	0.02	25.07	-24.76	10.63	10.27	16.92
Benchmark	-1.73	-1.73	-1.73	23.92	-18.02	18.75	19.29	11.51
Alternate Benchmark	-4.64	-4.64	-4.64	9.83	-20.09	-2.54	18.31	18.44

RISK PROFILE (5-YEAR TRAILING)

Alpha (Jensen's)	-2.79
Beta	0.85
R Squared	0.90
Sharpe Ratio	0.15
Standard Deviation	18.19

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	17.27	0.99	4.63	–	3.98
Benchmark	14.96	5.81	8.40	–	6.32
Alternate Benchmark	-2.94	-7.51	0.99	–	2.73

PORTFOLIO MANAGEMENT



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



Arjun Divecha
Joined GMO in 1993
MBA, Cornell University

Risks: Risks associated with an investment in the Strategy may include Market Risk - Equities, Illiquidity Risk, Non-U.S. Investment Risk, Currency Risk, and Management and Operational 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.

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 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.

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CHARACTERISTICS

	<i>Portfolio</i>	<i>Benchmark</i>	<i>Alternate Benchmark</i>
Price/Earnings - Forecast 1 Yr Wtd Mdn	10.3x	16.0x	15.1x
Price/Earnings - Hist 1 Yr Wtd Mdn	11.4x	23.2x	18.9x
Price/Book - Hist 1 Yr Wtd Avg	1.1x	1.6x	1.6x
Price/Cash Flow - Hist 1 Yr Wtd Mdn	8.7x	15.1x	11.4x
Return on Equity - Hist 1 Yr Avg	18.3%	13.4%	16.7%
Debt/Equity - Wtd Mdn	0.3x	0.4x	0.5x
Dividend Yield - Hist 1 Yr Wtd Avg	5.3%	2.6%	3.0%
Market Cap - Wtd Mdn Bil	0.8 USD	0.8 USD	14.5 USD
Number of Equity Holdings	188	1948	1351

MARKET CAP BAND EXPOSURES (\$B)

	<i>Portfolio</i>	<i>Benchmark</i>	<i>Alternate Benchmark</i>
Small (5.2 & Below)	97.6	100.0	24.4
Small - Medium (5.2 To 15.4)	2.4	0.0	26.5
Medium (15.4 To 38.8)	0.0	0.0	19.5
Medium - Large (38.8 To 109.1)	0.0	0.0	12.2
Large (109.1 & Above)	0.0	0.0	17.3

TOP COUNTRIES (%)

<i>Country</i>	<i>Portfolio</i>	<i>Benchmark</i>	<i>Alternate Benchmark</i>
Taiwan	27.2	22.2	16.6
India	15.4	27.7	18.0
South Africa	10.3	3.5	3.0
China	9.3	6.4	24.9
South Korea	6.0	12.4	12.2
Viet Nam	4.7	0.0	0.0
Hungary	4.4	0.1	0.3
Pakistan	3.9	0.0	0.0
Czech Republic	2.7	0.1	0.1
Poland	2.4	1.2	1.0

SECTORS (%)

<i>Sector</i>	<i>Portfolio</i>	<i>Benchmark</i>	<i>Alternate Benchmark</i>
Communication Services	2.6	3.6	8.7
Consumer Discretionary	3.2	11.6	12.1
Consumer Staples	8.6	6.3	5.9
Energy	11.8	1.8	5.6
Financials	17.5	10.8	23.1
Health Care	4.7	8.7	3.6
Industrials	12.1	17.8	6.8
Information Technology	15.0	17.2	22.2
Materials	13.8	12.2	7.4
Real Estate	8.5	6.4	1.6
Utilities	2.2	3.7	2.8

TOP HOLDINGS

<i>Company</i>	<i>%</i>
Petronet LNG Ltd	2.5
Gujarat State Fertilizers & Chemicals Ltd	2.4
Budimex SA	2.3
Richter Gedeon Nyrt	2.3
Radiant Opto-Electronics Corp	2.2
Simplo Technology Co Ltd	2.2
Commercial International Bank - Egypt (CIB)	2.1
Kumba Iron Ore Ltd	2.1
Investec Ltd	2.1
Moneta Money Bank AS	2.1
Total	22.3

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IMPORTANT INFORMATION

Benchmark(s): The MSCI Emerging Markets Small Cap Index (MSCI Standard Index Series, net of withholding tax) is an independently maintained and widely published index comprised of global emerging markets small 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 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.

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.

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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