

## ALTERNATIVE ALLOCATION

## OVERVIEW

The GMO Alternative Allocation Strategy seeks to generate positive total return by investing in a diversified portfolio of underlying alternative strategies, all run by GMO teams. Underlying strategies will include but are not be limited to: merger arbitrage/event-driven, global macro, fixed income absolute return, asset allocation long/short, long/short and market neutral equities, high yield, and systematic put writing strategies.

## 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	-1.01	-1.01	-0.66	5.91	3.50	-5.24	-0.39	3.31
Index	0.47	0.47	1.83	5.26	1.50	0.05	0.58	1.23

## 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	4.59	1.41	–	–	1.23
Index	5.57	2.86	–	–	2.11

## FACTS

Strategy Inception	1-May-19
Composite Inception	31-May-19
Total Assets	\$184mm USD
Index	FTSE 3-Mo. T-Bill

## RISK PROFILE (SINCE INCEPTION 31-MAY-19)

Sharpe Ratio	-0.15
Standard Deviation	5.78
Max Port. Drawdown (31-May-21 - 30-Nov-21)	-8.90

## PORTFOLIO MANAGEMENT



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



**Robert Brannan, CFA**  
Joined GMO in 2006  
MBA, Boston University



**John Thorndike**  
Joined GMO in 2015  
AB, Bowdoin College

**Risks:** Risks associated with investing in the Strategy may include: Management and Operational Risk, Leveraging Risk, Derivatives and Short Sales Risk, Market Risk - Equities, and Market Risk - Fixed Income. 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 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 not managed relative to a benchmark. References to an index are for informational purposes only. 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.

## ALTERNATIVE ALLOCATION

## PORTFOLIO ALLOCATIONS (%)

<i>Asset Class</i>	<i>Exposure</i>
<b>ALTERNATIVE STRATEGIES</b>	<b>135.4</b>
Equity Dislocation	35.0
Fixed Income Absolute Return	12.2
Event Driven	28.0
Asset Allocation Long/Short	15.0
Put Selling	8.0
Systematic Global Macro	28.1
Relative Value Credit	6.1
Credit	2.9

# ALTERNATIVE ALLOCATION

## IMPORTANT INFORMATION

**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.**

## 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.

**Risk Statistics:** Risk profile data is net of fees. 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. Drawdown is based on the portfolio's worst performance over the period based on monthly observations.

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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.

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