

**GMO SINGAPORE PTE. LTD.
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This brochure provides information about the qualifications and business practices of GMO Singapore Pte. Ltd. (“GMOS”). If you have any questions about the contents of this brochure, please contact GMOS at (65) 3163-2200. An investment adviser’s registration with the United States Securities and Exchange Commission (“SEC”) does not imply a certain level of skill or training. The information in this brochure has not been approved or verified by the SEC or by any state securities authority.

Additional information about GMOS is also available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2. Summary of Material Changes

There have been no material changes (as defined in relevant SEC regulations) to GMOS' brochure since GMOS' last annual update on March 29, 2023.

The information contained in this brochure is as of March 28, 2024 unless otherwise noted.

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Item 4. Advisory Business

- A. GMO Singapore Pte. Ltd. (“GMOS”) commenced operations in February 2003 and furnishes investment advisory services, predominantly to institutional and intermediary clients. GMOS is a Singapore private limited company and indirect wholly-owned subsidiary of Grantham, Mayo, Van Otterloo & Co. LLC (“GMO”), which is located at 53 State Street, Suite 3300 Boston, MA 02109. GMO is a Massachusetts limited liability company that is controlled by active employee-members (“Members”). GMOS is wholly-owned by GMO Australasia, LLC, and a wholly-owned subsidiary of GMO.

GMOS’s headquarters are located at 6 Battery Road, #34-01, Singapore 049909. The offices of GMOS’s affiliates are located in Amsterdam, Boston, London, and Sydney, with GMO also having a representative office in Tokyo. Please see Item 10, “*Other Financial Industry Activities and Affiliations*” for a more detailed discussion about GMOS’s affiliates.

- B. GMOS provides investment services to GMO on behalf of pooled investment vehicles and separate accounts managed by GMO. In addition, GMOS provides discretionary advice to separately managed accounts. Please see Item 8, “*Methods of Analysis, Investment Strategies and Risk of Loss*” below for more information regarding GMOS’s investment strategies.
- C. GMOS may tailor its advisory services for clients investing through separately managed accounts. GMOS may agree to manage a client’s assets against a particular benchmark or pursuant to investment guidelines discussed and agreed upon with the client. To the extent practicable and consistent with the intended investment strategy, GMOS may agree to implement client-imposed limitations on GMOS’s discretionary authority with respect to the securities to be bought or sold for an account including, but not limited to, diversification requirements, benchmark deviation, industry concentration, restrictions prohibiting the purchase of certain securities or securities of certain types of issuers, prohibiting investments in certain countries or markets, limitations in relationships with counterparties, and/or prohibiting the employment of certain investment strategies or techniques (*e.g.*, derivatives). Please see Item 16, “*Investment Discretion*,” which discusses these and other restrictions relating to GMOS’s discretionary authority. Client accounts that are subject to such limitations may perform differently and potentially less successfully other accounts with similar strategies managed by GMOS that do not have such limitations.
- D. GMOS does not participate in wrap-fee programs.
- E. As of December 31, 2023, GMOS managed US\$2.2billion on a discretionary basis for its clients. Please note that this figure reflects GMOS’s net assets under management, as contrasted with the assets required to be reported in Part 1A of Form ADV as GMOS’s “regulatory assets under management.”

Although GMOS may be directed by a client with a separately managed account to invest exclusively in a particular GMO or GMO Australia Limited (“GMOA”) pooled vehicle, GMOS does not otherwise manage any client assets on a non-discretionary basis.

Item 5. Fees and Compensation

- A. The rate of GMOS's advisory (or management) fee varies with the type of product or asset class being managed, the investment strategy being employed by GMOS, and the vehicle type in which the strategy is being implemented. GMOS's fees are generally asset-based and calculated at an annual rate as a percentage of the value of the net assets in the account.

In some cases, GMOS may be paid a combination of an asset-based fee and a performance fee. The performance fee may take the form of a special allocation of profit to GMOS, or an affiliate from a GMO or GMOA pooled vehicle (special allocations and performance fees are referred to interchangeably throughout this brochure). The performance fee may be calculated in a variety of ways depending on multiple factors including, but not limited to, the nature of the strategy, relevant performance benchmarks and performance hurdles, and is generally calculated based on both realized and unrealized amounts. Please see Item 6, "*Performance-Based Fees and Side-by-Side Management*" for more information.

Under appropriate circumstances, in GMOS's discretion and where permitted by applicable law, the terms of an investment advisory contract, including fee schedules, terms of payment and termination provisions, may be negotiable. The asset-based management fee rate for a separately managed account will typically begin at a higher rate than a pooled investment vehicle managed in the same strategy.

When GMOS provides services to a GMO pooled investment vehicle or separately managed account, GMO pays GMOS a portion of the advisory fees that they receive from that pooled vehicle or account.

GMOS may provide services to GMO with respect to certain series of GMO Trust (the "GMO Mutual Funds"). The total net annual expenses of the GMO Trust Funds generally range from 0.08% to 1.70%. Total net annual expenses are charged to and deducted from the GMO Mutual Funds in arrears. The GMO Mutual Funds pay management, and/or supplemental support service fees to GMO and bear total net annual expenses are described in their respective prospectuses, as supplemented from time to time.

GMOS may provide services to GMO with respect to certain pooled products advised by GMO that are not GMO Mutual Funds (collectively, the "GMO Private Funds"). The stated asset-based fee rates paid to GMO by each GMO Private Fund are set forth in detail in each GMO Private Fund's offering documentation. The asset-based fee rate for the GMO Private Funds is generally 0.20% to 3.675%. Note that the universe of GMO Private Funds contemplated in this brochure may be broader than the list of "private funds" required to be reported in Item 7.B of Part 1A of Form ADV. With respect to the fees charged by GMO Private Funds, the general partner, investment adviser, or board of directors of such pooled investment vehicles, as the case may be, has discretion to waive, modify or calculate differently, or rebate a portion of the asset-based fees and/or performance fees for any period for some or all investors and to admit investors or accept additional subscriptions from existing investors subject to such other fee arrangements as each of them deems appropriate and generally without notice to or consent from other investors. GMO Private Funds and GMO Mutual Funds are collectively referred to as GMO Funds throughout this document.

- B. For accounts that are pooled vehicles, fees are generally accrued daily or monthly and paid in arrears. For accounts that are separately managed, asset-based fees are typically billed and payable quarterly in arrears, although such accounts may be billed more or less frequently. Performance fees for separately managed accounts and certain pooled products, if applicable, are typically billed annually but GMOS and a client may agree to a more or less frequent billing cycle. From time to time, a client in a separately managed account may provide a standing instruction to GMOS in its investment management agreement to redeem shares of GMO Funds held in its account to the extent necessary to pay GMOS's account-level advisory fee. For all accounts, the amount of the asset-based fee is prorated if GMOS provides advisory services for periods of less than a full payment cycle (e.g., at the beginning or end of GMOS's engagement to provide advisory services). For accounts investing in a class of a GMO Fund's shares that charges performance fees, accrued performance fees are generally payable at the time of each redemption from such GMO Fund and at the end of other account performance-measurement periods (typically, annually). In all cases, and even if a contract is silent, GMOS requires that fees billed from January through November be paid by March 15 of the following year (except for certain corporations and non-US clients who must remit payment by the end of the calendar year in which they were billed) and, with respect to fees billed as of December 31 of each year, no later than December 31 of the following year.
- C. Clients that have a separately managed account will incur brokerage costs, third-party execution costs (if any) and other transaction costs associated with GMOS's management of the accounts' portfolio securities. Please see Item 12, "*Brokerage Practices*" for a description of GMOS's brokerage practices.

In addition to advisory (or management) fees and brokerage and transaction costs, clients invested in the GMO Mutual Funds will, either directly or through a separately managed account, bear the other fees and expenses paid by the GMO Mutual Funds, as applicable, including shareholder service, and/or supplemental support fees paid by the GMO Mutual Funds to GMO and other fees and expenses paid by the GMO Mutual Funds (to the extent not otherwise waived or reimbursed by GMO), which include but are not limited to, expenses of the independent Trustees of each Trust and their independent counsel (if any), fees and expenses of underlying funds (including GMO Trust Funds), in which the GMO Mutual Funds invests, fees and expenses for legal, fund accounting, transfer agency, custodial, tax and auditing services, insurance premiums, fees of proxy advisory firms, securities lending fees and expenses, interest expense, transfer taxes, and other investment-related costs (including investment-related legal expenses and overdraft charges), hedging transaction fees, governmental, regulatory, licensing, filing or registration fees; extraordinary or non-recurring and expenses not incurred in the ordinary course of the GMO Mutual Fund's business (e.g., taxes, litigation, judgments and indemnification expenses). Some GMO Mutual Funds also charge purchase premiums and/or redemption fees, which are paid by the investor to the relevant GMO Mutual Fund (not to GMOS or GMO) upon purchases into or redemptions from such GMO Mutual Fund. Some GMO Mutual Funds may be subject to other expenses including distribution and/or administration service fees payable to sub-transfer agents or record-keepers. Information about the foregoing, and the total net annual operating expenses of the GMO Mutual Funds serviced by GMOS are described in the GMO Mutual Funds' prospectus, as supplemented from time to time. The information in the GMO Mutual Funds'

prospectus shall govern in all instances and in some cases may be more current than that included in this brochure.

In addition to advisory fees, clients invested in GMO Private Funds, whether directly or through a separately managed account, will bear the fees and expenses paid by the GMO Private Funds (to the extent not otherwise waived or reimbursed by GMO), including but not limited to custody fees, brokerage commissions (including research costs), third-party execution fees and similar transaction costs, if any; investment-related legal, tax, and certain other expenses, (which may include interest and commitment fees on debit balances and borrowings, borrowing charges on securities sold short, fees of legal and other professional advisors and consultants relating to investments or prospective investments, other investment monitoring expenses), third-party expenses relating to systems and software used in connection with the operations of the GMO Private Funds and investment-related activities (including without any limitation, any accounting, risk management, trading and administrator-like functions that GMOS performs in-house); administration; legal; governmental, regulatory, licensing, filing or registration fees; accounting; insurance premiums, fees of proxy advisory firms, certain other fees and expenses extraordinary or non-recurring and expenses not incurred in the ordinary course of the GMO Trust Fund's business (e.g., taxes, litigation, judgments and indemnification expenses). Some GMO Private Funds also charge purchase premiums and/or redemption fees, which are paid by the investor to the relevant GMO Private Fund (not to GMO or GMOS) upon purchases into, or redemptions from, such GMO Private Fund. The information in a GMO Private Fund's offering documents shall govern in all instances and in some cases may be more current than that included in this brochure.

Some GMO Funds invest in other GMO Funds and other pooled investment vehicles not advised by GMOS or its affiliates, and therefore may also bear the indirect expenses associated with their investment (if any) in underlying funds. In general, GMO has agreed to waive or reduce, but not below zero, the management fee that it charges each GMO Fund and the shareholder service fee that it charges each class of shares of a GMO Fund to the extent necessary to offset the management and shareholder service fees indirectly borne by the GMO Fund as a result of its direct or indirect investment in other GMO Funds. Investors should refer to the relevant prospectus for the GMO Mutual Funds and/or the current offering memoranda for the GMO Private Funds for a more detailed description of any underlying fund's fees and expenses.

GMO has contractually agreed to bear some of the operational expenses for many of the GMO Funds it advises (e.g., accounting and transfer agency expenses). The extent to which GMO bears those expenses varies by GMO Fund. Therefore, when negotiating those expenses with third-party service providers (which are often negotiated for all pools at the same time), GMO has an economic incentive to favor a fee structure that shifts expenses from GMO Funds for which they have a greater reimbursement obligation to those GMO Funds for which they have a lesser (or no) reimbursement obligation. Further, to the extent that GMOS has discretion to allocate a client's assets among GMO Funds, it has an incentive to allocate to GMO Funds where GMO has less (or no) reimbursement obligation.

Clients with separately managed accounts typically engage a custodian to custody their assets managed or sub-advised by GMOS and are responsible for custodial fees and other expenses

charged by their custodian, including, without limitation, relevant trading and brokerage expenses, which are paid directly by the clients to their custodians. Separate account clients who engage futures commission merchants, derivatives clearing merchants or prime brokers are similarly responsible for the fees charged by those service providers.

- D. Clients do not pay GMOS's fees in advance.
- E. Neither GMOS nor any of its supervised persons accepts compensation for the sale of securities or other investment products.

Item 6. Performance-Based Fees and Side-by-Side Management

GMOS may be paid an asset-based fee or a combination of an asset-based fee and a performance fee. Please see Item 5, "*Fees and Compensation*" and the related Schedules for more information about GMOS's fees. To the extent GMOS charges a performance fee, the client must be eligible, and the performance fee must generally comply with the requirements of Section 205 of the Investment Advisers Act of 1940, as amended ("Advisers Act") and Rule 205-3 thereunder. In situations where GMOS has entered into a performance fee arrangement, it may have an economic incentive to pursue riskier strategies, seek less downside risk when a GMO Fund has outperformed its benchmark and allocate superior investment ideas to those accounts capable of generating higher performance-related compensation than it might otherwise. In addition, because many of GMOS' investment personnel manage accounts with only asset-based fees and accounts with an asset-based fee and a performance fee component, they face conflicts of interest in that they may have an incentive to favor accounts for which GMOS receives a base and performance fee.

GMOS' compensation program for its investment professionals is designed to align compensation of the investment professionals managing an account to such accounts' performance over various periods. Importantly, we emphasize maintaining a long-term view, which we believe best aligns our rewards system with our clients' interests. An investment team's compensation pool for the year generally is determined by the team's investment performance over the measurement periods (using 5-year, 3-year and 1-year, where available) versus their benchmark and peer universe (as applicable) and the firm's performance. Additional considerations include, among other things, product fee structures and maturity, talent and experience levels, collaboration with other teams and contributions to firm-wide research. Individual awards are discretionary and determined based on a number of factors, which can include, among other things, investment performance (over multi-year periods), conducting innovative research, rigorously pursuing new investment concepts, participating constructively in the vetting of ideas and their ultimate incorporation into our portfolios, as well as how an individual exhibits attributes that are aligned with GMOS's investment philosophy, values, competencies and culture.

As a result, individual investment professionals may have some or all the same economic incentives that GMOS itself may have when GMOS is eligible to earn a performance fee. Specifically, whether or not GMOS is earning or is eligible to earn a performance fee, individual investment professionals may have compensation-related incentives to make riskier investments, pursue riskier strategies, seek less downside risk when a GMO Fund has

outperformed its benchmark and allocate superior investment ideas to those accounts capable of generating higher performance-related compensation than they might otherwise.

GMOS may also have an incentive to favor accounts in which it and/or its employees may own a substantial interest. GMOS maintains firm-wide trade allocation standards, and the trading desk has specific allocation procedures designed to allocate investment opportunities fairly and equitably over time. Information regarding these procedures is provided under Item 12, “*Brokerage Practices.*”

To manage further the potential conflicts of interest associated with side-by-side management of accounts and funds with performance fees and those that have solely asset-based fees, dispersion among accounts employing similar investment strategies is periodically reviewed to ensure that any material divergence in expected performance is adequately understood.

GMOS may also have conflicts of interest related to engaging in short sales of, or taking a short position in, an investment owned or being purchased by other client accounts managed by GMOS or vice versa.

See also Item 11, “*Code of Ethics, Participation in Client Transactions and Personal Trading: Conflicts Related to Advisory Activities*” for additional information on potential conflicts.

Item 7. Types of Clients

GMOS provides investment advice to a wide variety of clients, including, but not limited to, endowments and foundations; employee benefit, pension and contribution plans; governmental and supranational entities; family offices; high net worth individuals; taxable entities; investment companies; pooled investment vehicles; trusts; other institution (including financial intermediaries) and individuals (including individual retirement accounts). As described in Item 5, “*Fees and Compensation,*” GMOS may provide investment services to GMO, including with respect to the GMO Mutual Funds and GMO Private Funds, as applicable. The minimum account size for investment in certain share classes of the GMO Mutual Funds varies but generally requires at least a \$5 million commitment. For the GMO Private Funds, the minimum account size varies depending on the vehicle, but is generally at least \$5 million and there are generally legal and/or regulatory based limitations on the types of eligible investors. Minimum account size requirements are waived for Members and employees and for other investors at GMO’s discretion. GMO may waive a Fund’s investment minimum for certain clients in certain circumstances (e.g., for clients whose investment consultant has full discretion or exercises substantial influence over its clients’ assets and where the relationship meets the investment minimum). The minimum account size for separately managed accounts varies by investment strategy.

Item 8. Methods of Analysis, Investment Strategies and Risk of Loss

A. GMOS’ investment professionals may employ a variety of tools in providing investment advice to GMOS’ clients including, but not limited to, proprietary techniques used to research and evaluate securities based on historical and forecasted financial information, as well as fundamental investment analysis. GMOS believes that material environmental, social and corporate governance (“ESG”) factors can, in many cases, be helpful in assessing future risks and prospects of the companies and countries which it invests, and by integrating ESG into the

investment processes of certain strategies GMOS can improve long-term risk-adjusted returns. For example, ESG may help GMOS identify issuers who are working to address underappreciated ESG risks and, in turn, enhance their long-term profitability and command a higher premium into the future. The weight that ESG criteria are given, overall or individually, for a particular investment decision is dependent upon GMO's assessment of their materiality and relevance to that investment decision. The consideration of ESG criteria as part of a strategy's investment process does not mean that the strategy pursues a specific "ESG" investment strategy, and, depending on the strategy, GMOS may make investment decisions that are based on other (non-ESG) material financial information or risk considerations. GMOS's incorporation of ESG criteria into its investment process for a particular strategy does not mean that every investment or potential investment undergoes an ESG review, and GMOS may not consider ESG criteria for every investment a strategy makes (such as, for example, in cases where ESG-related data for a company is unavailable). GMOS believes that active engagement helps to better assess key ESG risks and opportunities and, critically, how these matters support or risk hurting long-term investment results. For many strategies, GMOS uses engagement and proxy voting practices to understand how issuers are addressing key ESG risks and to encourage behavior that supports positive long-term results.

Please refer to *Appendix A* for a general description of each of GMOS's investment strategies as of the date of this brochure. Descriptions of strategies offered through pooled investment vehicles are qualified in their entirety by the information in the relevant vehicle's offering materials. Descriptions of strategies offered through separately managed accounts are qualified in their entirety by reference to the applicable investment advisory agreement and related investment guidelines; and this brochure shall govern to the extent the contract is silent.

Investing in securities involves risk of loss that clients should be prepared to bear. Please note that 'invested in' as used in this brochure includes both direct and indirect investments and long and short positions unless otherwise indicated. When used herein the terms 'bonds,' 'fixed income investments,' and 'fixed income securities,' include (a) obligations of an issuer to make payments on future dates of principal, interest (whether fixed or variable) or both and (b) synthetic debt instruments created by GMOS by using derivatives (e.g., a futures contract, swap contract, currency forward or option).

B The following identifies the material risks associated with the strategies described in *Appendix A*. These strategies could be subject to greater or additional risks due to the types of investments they make and changing market conditions over time. Where exposures are achieved using derivatives, the risks of owning the reference assets still apply, in addition to the risks of the derivatives themselves. This summary of the material risks is supplemented by the information contained in the corresponding offering materials, if any.

Some clients may request variations on the strategies described in *Appendix A*. For those separately managed accounts, such variations may subject the accounts to risks in addition to the material risks identified below.

- *Borrowing and Leverage Risk* – If permitted by the strategy's investment policies, the strategy may purchase securities on margin and may arrange with banks, brokers and others to borrow money. A strategy may use leverage to increase its exposure to the

underlying investments and may borrow money without limitation or use derivative instruments in connection therewith. The use of leverage creates opportunities for greater total return but at the same time creates greater risks. While gains made with borrowed funds generally would cause a strategy's net asset value to increase faster than without the use of borrowed funds, if the market value of securities purchased with borrowed funds declines or does not appreciate sufficiently to cover the costs of borrowing, the strategy's value will decrease faster and more significantly than without the use of borrowed funds. Such decrease in value could be substantial. As the strategies do not have specific limitations on long or short exposure, the risks associated with leverage may be greater than would otherwise be the case. In addition, a strategy will be leveraged if it exercises its right to delay payment on a redemption, and losses will result if the value of the strategy's assets declines between the time a redemption request is deemed to be received by the strategy and the time the strategy liquidates assets to meet redemption requests.

- *Commodities Risk* – Commodity prices can be extremely volatile and may be directly or indirectly affected by many factors, including changes in overall market movements, real or perceived inflationary trends, commodity index volatility, changes in interest rates or currency exchange rates, population growth and changing demographics, and factors affecting a particular industry or commodity. Exposure to commodities can cause the net asset value of the strategy's assets to decline or fluctuate in a rapid and unpredictable manner.
- *Convertible Securities Risk* – The market value of a convertible security is a function of its 'investment value' (determined by its yield in comparison with the yields of other securities of comparable maturity and quality that do not have a conversion privilege) and its 'conversion value' (the security's worth, at market value, if converted into the underlying common stock). The investment value of a convertible security is influenced by changes in interest rates, with investment value declining as interest rates increase and increasing as interest rates decline. A convertible security may also be subject to redemption or conversion under specified circumstances and/or at the option of the issuer at a price established in the convertible security's governing instrument.
- *Counterparty Risk* – The strategies run the risk that the counterparty to a derivatives contract, a clearing member used by a client account to hold a cleared derivatives contract, or a borrower of a client account's securities will be unable or unwilling to make timely settlement payments or otherwise honor its obligation. To the extent that GMOS' view with respect to particular counterparty changes (whether due to external events or otherwise), does not mean that existing transactions with the counterparty will necessarily be terminated or modified. Additionally, new transactions may be entered into with a counterparty that GMOS no longer considers a desirable counterparty (e.g., re-establishing the transaction with a lesser notional amount or entering into a countervailing trade with the same counterparty). Counterparty risk also may be more pronounced if a counterparty's obligations exceed the amount of collateral held by a strategy (if any), a strategy is unable to exercise its interest in collateral upon default by the counterparty, or the termination value of the instrument varies significantly from marked-to-market value of the instrument. To the extent the

strategy allows a prime broker, if any, or any over-the-counter derivative counterparty to retain possession of any collateral, the strategy may be treated as an unsecured creditor of such counterparty in the event of the counterparty's insolvency.

- *Credit Market Illiquidity Risk* – It is possible that illiquidity in the credit markets could cause the price of investments held by a strategy to decline, which may have the result of forcing the strategy to sell assets to reduce leverage, satisfy requirements under its borrowing arrangements or to meet margin calls, all of which could, in turn, create further downward price pressure. If there is a substantial decline in the market value of a strategy's portfolio of investments, investments may need to be liquidated quickly.
- *Credit Risk* – The strategies run the risk that the issuer or guarantor of a fixed income investment or the obligor of an obligation underlying an asset-backed security will be unable or unwilling to satisfy its obligations to pay principal and interest payments or otherwise to honor its obligations in a timely manner. The obligations of issuers also may be subject to bankruptcy, insolvency and other laws affecting the rights and remedies of creditors. The market price of a fixed income investment will normally decline as a result (and/or in anticipation) of the failure of an issuer, underlying obligor or guarantor to meet its payment obligations or a downgrading of the relevant credit rating. The extent to which the market price of a fixed income security changes in response to a credit event depends on many factors and can be difficult to predict. Credit risk is particularly pronounced for below investment grade investments (commonly referred to as "high yield" or "junk bonds") which have speculative characteristics often are less liquid than higher quality investments, present a great risk of default and are more susceptible to real or perceived adverse market conditions. Changes in actual or perceived creditworthiness may occur quickly. As inflation increases, the present value of a strategy's fixed income investment typically will decline. An investor's expectation of future inflation can also adversely affect the current value of a strategy's investments, resulting in lower asset values and potential losses. This risk is elevated compared to historical market conditions because of recent mandatory policy measures and the current interest rate environment.
- *Currency Risk* – Fluctuations in exchange rates may adversely affect the value of a strategy's investments. Currency risk includes the risk that the currencies in which a strategy's investments are traded or in which the strategy receives income, and/or in which a strategy has taken a position will decline in value. Currency risk also includes the risk that the currency to which a strategy has obtained exposure through hedging declines in value relative to the currency being hedged, in which event, the strategy is likely to realize a loss on both the hedging instrument and the currency being hedged.
- *Custodial Risk* – If a custodian has custody of a strategy's securities, cash, distributions and rights accruing to the strategy's securities accounts, a strategy will be subject to credit risk with respect to the custodian. Even if the custodian has sufficient assets to meet all claims, there could be a delay before the strategy receives assets to satisfy its claims.

- *Derivatives Risk* – The use of derivatives involves the risk that their value may not change as expected relative to changes in the value of the assets, pool of assets, rates, currencies or indices they are designed to track. Derivatives also present other risks, including market risk, illiquidity risk, currency risk, and credit and counterparty risk. Because the contract for each over-the counter derivative is individually negotiated, the counterparty may interpret contractual terms (*e.g.*, the definition of default) differently than GMOS and, if it does, a strategy may decide not to pursue its claims against the counterparty to avoid the cost and unpredictability of legal proceedings. A strategy, therefore, may be unable to obtain payments GMOS believes are owed to it under derivative instruments or those payments may be delayed or made only after the strategy has incurred the cost of litigation.

Short positions may not act as an effective hedge against long positions. The success of any hedging strategy will depend in part on GMOS' ability to correctly assess the degree of correlation between the performance of the instruments used in the hedging strategy and the performance of the investments being hedged.

A purchase or sale of a futures contract may result in losses in excess of the amount invested in the futures contract. If a strategy uses futures for hedging, in the event of an imperfect correlation between a futures position and the portfolio position intended to be hedged, the strategy may realize a loss on the futures contract at the same time it is realizing a loss on the portfolio position intended to be hedged. In addition, futures exchanges may establish daily limits on the amount that the price of a futures contract can vary from the previous day's settlement price, thereby effectively preventing liquidation of futures positions.

Some types of interest rate swaps and credit default index swaps on North American and European indices that may be used by client accounts will be required to be centrally cleared. In a cleared derivatives transaction, the counterparty to the transaction is a central derivatives clearing organization, or clearing house, rather than a bank or broker. In light of the fact that the strategies are not members of a clearing house and only members of clearing house can participate directly in the clearing house, the strategies hold cleared derivatives through accounts at a clearing member. The strategies will make and receive payments owed under cleared derivatives transactions (including margin payments) through their accounts at clearing members. Clearing members guarantee performance of a strategy's obligations to the clearing house. Clearing members at any time can require termination of existing cleared derivatives positions or an increase in margin requirements above those required at the outset of a transaction. Any such termination or increase could interfere with the ability of the strategy to pursue its investment objective. Further, any increase in margin requirements by a clearing member could expose a strategy to greater credit risk to its clearing member, because margin for cleared derivatives positions in excess of a clearing house's margin requirements typically is held by the clearing member. Also, the strategy is subject to risk if it enters into a derivatives transaction that is required to be cleared (or which GMOS expects to be cleared), and no clearing member is willing or able to clear the transaction on a strategy's behalf. In that case, the transaction might

have to be terminated, and a strategy could lose some or all of the benefit of any increase in the value of the transaction after the time of the trade.

- *Focused Investment Risk* – A strategy with investments that are focused in a limited number of countries, regions, asset classes, sectors, (or in sections within a country or region), industries, currencies, or issuers that are subject to the same or similar risk factors and a strategy with investment whose market prices are closely correlated, are subject to higher overall risk than a strategy with investments that are more diversified and/or whose prices are not as closely correlated. A strategy that invests in securities of a small number of issuers has higher exposure to adverse developments affecting those issuers and to a decline in the market price of those issuers' securities than a strategy investing in the securities of a larger number of issuers. Securities, sectors or companies that share common characteristics are often subject to similar business risks and regulatory burdens, and often react similarly to specific economic, market, political or other developments.
- *Illiquidity Risk* – Low trading volume, lack of a market maker, large position size or legal restrictions (including daily price fluctuation limits or 'circuit breakers,' an affiliation with the issuer of a security or possession of material non-public information about the issuer) may limit, delay or prevent a strategy from selling particular securities or unwinding derivative positions at desirable prices. To the extent a strategy is offered as a pooled vehicle, holding less liquid securities increases the likelihood that a redemption request will be honored in-kind, and a strategy's investment in such a vehicle may often be redeemed only on specific dates (for example, monthly or quarterly) and may be subject to substantial restrictions on transfer. As a result, the strategy may not be able to dispose of its investment in the underlying strategy when GMOS believes it would be advantageous to do so. A strategy runs the risk that liquid investments become illiquid due to various factors, including financial distress or geopolitical events (such as sanctions, trading halts or wars).
- *Inflation Risk* – Inflation is a sustained increase in overall price levels. Moderate inflation is associated with economic growth, while high inflation can signal an overheated economy. Inflation risk is the risk that the value of assets or income from a strategy's investments will be worth less in the future as inflation decreases the value of payments at future dates. Central banks, such as the U.S. Federal Reserve, generally attempt to control inflation by regulating the pace of economic activity, typically by raising and lowering short-term interest rates. At times, government may attempt to manage inflation through fiscal policy, such as by raising taxes or reducing spending, thereby reducing economic activity; conversely, governments can attempt to combat deflation with tax cuts and increased spending designed to stimulate economic activity. Inflation rates may change frequently and significantly as a result of various factors, including unexpected shifts in the domestic or global economy and changes in economic policies, and a strategy's investments may not keep pace with inflation, which may result in losses to investors.
- *Large Investor Risk* – To the extent that a strategy is offered as a pooled vehicle and interests in the pooled vehicle are held (directly or indirectly) by large investors (e.g.,

institutional investors, asset allocation funds, or other GMO pooled vehicles) or a group of investors with a common investment strategy, the pooled vehicle is subject to the risk that a redemption by those shareholders of all or a large portion of their investment will adversely affect performance by forcing the pooled vehicle to sell portfolio securities at disadvantageous prices to raise the cash needed to satisfy the redemption request. In some cases, a redemption of a large number of shares of the pooled vehicle could disrupt the pooled vehicle's operations or force the pooled vehicle's liquidation. A strategy may trade in anticipation of a purchase or redemption order that is not ultimately received or differs in size from the actual order, leading to temporary underexposure or overexposure to a strategy's intended investment program.

- *Legal and Regulatory Risks* – Legal, tax and regulatory changes could occur during the term of a strategy that may adversely affect the strategy. New (or revised) laws or regulations or interpretations of existing laws may be issued by U.S. and non-U.S. regulators or other governmental regulatory authorities or self-regulatory organizations could adversely affect a strategy. A strategy may also be adversely affected by changes in the enforcement or interpretation of existing statutes and rules by these governmental regulatory authorities or self-regulatory organizations.
- *Management and Operational Risk* – The strategies rely on GMOS's ability to achieve their investment objective. Each strategy runs the risk that GMOS's investment techniques will fail to produce the intended results and a strategy may incur significant losses. GMOS uses quantitative models as part of its investment process and in making investment decisions for some strategies. Those strategies (and any underlying strategies) run the risks that the models will not accurately predict future market movements. In addition, those models rely on assumptions and data that are subject to limitations (e.g., inaccuracies, staleness) that could adversely affect their predictive value. A strategy (and any underlying strategies) also runs the risk that GMOS's assessment of an investment (including a security's fundamental fair (or intrinsic) value) is wrong. There also can be no assurance that all of GMOS's key personnel will continue to be associated with GMOS for any length of time. The loss of their services could have an adverse impact on a strategy's ability to achieve its investment objective. A strategy also is subject to the risk of loss and impairment of operations as a result of GMOS's and other service providers' provision of investment management, administrative, accounting, tax, legal, pricing and other services to the strategy. GMOS and other service providers are susceptible to cyber-attacks and technological malfunctions that may have effects that are similar to those of a cyber-attack, which, in each case, may have an adverse effect on the strategies or their investors. In addition, following the COVID-19 pandemic GMOS and its service providers implemented business continuity plans, including widespread use of hybrid and work-from-home arrangements, which may make GMOS and its service providers more susceptible to cyber-attacks.

GMO's ability to use, manage, and aggregate data is limited by, among other things, the effectiveness of policies, systems, and practices that govern how data is acquired, validated, used, stored, protected, processed, and shared. Failure to use, manage, and aggregate data in a lawful, accurate, and/or timely manner limits the ability to manage

current and emerging risks, as well as to manage changing business needs and adapt to the use of new tools, including AI. While GMO will under certain circumstances restrict certain uses of third-party and open source AI tools, GMO personnel and/or investments could use these tools, which pose additional risks including but not limited to those relating to the protection of proprietary data, the unlawful exposure of confidential information, and the misuse of intellectual property. Use of AI tools could result in allegations or claims, for example, related to violation of intellectual property rights, unauthorized access to or use of proprietary information, bias, conflicts, and/or failure to comply with open-source software requirements. AI tools can and have been known to produce inaccurate, misleading, or incomplete responses, such as hallucinations, which could lead to errors in data, decision-making, portfolio management or other business activities, including by GMO, GMO personnel, and or GMO investments. AI tools could also be used in criminal or negligent ways. As the use of AI tools has grown, governmental bodies have been examining AI tools and their use in a variety of industries, including financial services; AI faces an uncertain legal and regulatory landscape in many jurisdictions. Ongoing and future legal and/or regulatory actions with respect to AI generally or AI's use in any industry in particular could alter, including to a materially adverse extent, the ability of GMO and others to utilize AI. As the nature and use of AI advances, additional risks will arise. Any of the above risks, as well as new or emerging risks related to AI, could adversely impact GMO, GMO investment vehicles, and GMO investments and lead to financial loss.

GMO, GMO's service providers, and other market participants increasingly depend on complex and often interconnected information technology and communications systems to conduct business functions. These systems are subject to a number of different risks that could adversely affect GMO and others, despite the efforts of GMO and others to adopt technologies and processes intended to mitigate these risks and protect the security of their systems, software, networks, and other technology assets. Unauthorized parties may attempt to improperly access, modify, disrupt, encrypt, or otherwise prevent access to these systems of GMO and others, including for example service providers and counterparties, as well as the data stored by these systems, including investor information. GMO and others are subject to ransomware and other attacks, which could cause a substantial business disruption or loss of availability of data that could prevent the timely execution of investment strategy, trading, or account access. Parties may attempt to fraudulently induce employees, customers, third-party service providers or others to disclose sensitive information in order to gain access to data or to transfer funds to unauthorized third parties. Any of the above risks or circumvention of relevant system security could cause harm to GMO and investments. Examples of harm and/or increased costs include but are not limited to the loss or theft of data or funds, identity theft, the inability to access electronic systems, regulatory penalties, reputational damage, financial loss, and costs associated with system repairs and upgrades, investigations, compliance, and insurance premiums.

- *Market Disruption and Geopolitical Risk* – – Geopolitical and other events (e.g., wars, pandemics, sanctions and terrorism) will disrupt securities markets and adversely affect

the general economy or particular economies and markets. Those events as well as other changes in non-U.S. and U.S. economic and political conditions, could exacerbate other risks or otherwise reduce the value of and/or render illiquid the strategy's investments. Sudden or significant changes in the supply or prices of commodities or other economic inputs (e.g., the marked decline in oil prices in early 2020 and substantial increase in 2022) may have material and unexpected effects on both global securities markets and individual countries, regions, sectors, companies, or industries, which could significantly reduce the value of a strategy's investments. Securities markets may be susceptible to market manipulation or other fraudulent trading practices, which could disrupt their orderly functioning or prices of securities traded on them, including securities held in the strategy. Fraud and other deceptive practices committed by a company whose securities are held in a strategy, when discovered, will likely cause a steep decline in the market price of those securities and thus negatively affect the value of the strategy's investments. War, terrorism, economic uncertainty and related geopolitical events, such as sanctions, tariffs, the imposition of exchange controls or other cross-border trade barriers, other government restrictions (or the threat of such restrictions) have led, and in the future may lead, to greater short-term market volatility and have had, and in the future may have adverse long-term effects on U.S. and world economies and markets generally on specific sectors. Events such as these and their impact on the Funds are impossible to predict.

- *Market Risk- Equity Securities* – The market price of equities may decline due to factors affecting the issuing companies, their industries, or the economy and equity markets generally. If a strategy purchases an equity for less than its fundamental fair (or intrinsic) value as assessed by GMOS and GMOS's assessment proves to be incorrect, the strategy runs the risk that the market price of the equity will not appreciate to or decline. Strategies also may purchase equities that typically trade at higher multiples of current earnings than other securities, and the market prices of these equities often are more sensitive to changes in future earnings expectations than other securities to changes in future earnings expectations than the market prices of equities trading at lower multiples.
- *Market Risk- Fixed Income Securities* – A strategy that invests a significant portion of its assets in fixed income investments, (including bonds, notes, bills, loans, synthetic debt instruments, and asset-backed securities) is subject to various market risks. These risks include, but are not limited to, loss on investments in asset-backed and other fixed income securities, lack of liquidity of those investments and impact of fluctuating interest rates. The market price of a fixed income security can decline due to a number of market-related factors, including rising interest rates, widening credit spreads, or decreased liquidity. In addition, the market price of fixed income investments with complex structures, such as asset-backed securities, can decline due to market uncertainty about their credit quality and the reliability of their payment streams. The risks associated with such change in interest rates are generally greater for a strategy that invests in fixed income securities with longer durations.

If a strategy acquires an interest in a loan through a participation, it must rely on the seller of the participation not only for the enforcement of the strategy's rights against

the borrower but also for the receipt and processing of principal, interest, or other payments due under the loan. This means that the strategy is also subject to the credit risk of the seller of the participation and other risks relating to that seller.

Floating-rate or adjustable-rate investments generally have shorter interest rate durations because their interest rates are not fixed, but rather float up and down as interest rates change. Conversely, inverse floating-rate investments have durations that move in the opposite direction from short-term interest rates and thus tend to underperform fixed rate investments when interest rates rise but outperform them when interest rates decline.

Investments in distressed or defaulted or other low quality debt securities may trade significantly below par, generally are considered speculative, and may involve substantial inherent risks that are generally significantly higher than the risks involved in investing in companies that are not experiencing, or expected to experience, financial stress and not normally associated with investments in higher quality securities, including adverse business, financial or economic conditions that lead to payment defaults and insolvency proceedings on the part of their issuers. If GMOS's evaluation of the eventual recovery value of a defaulted instrument should prove incorrect, the strategy may lose a substantial portion or all of its investment.

- *Non-U.S. Investment Risk* – Investments in non-U.S. issuers or securities traded outside the United States may involve special risks due to non-U.S. economic, political and legal developments, including favorable or unfavorable changes in currency exchange rates, exchange control regulations (including currency blockage), expropriation, nationalization or confiscatory taxation of assets, government involvement in the economy or in the affairs of specific companies or industries (including wholly or partially state-owned enterprises), imposition of withholding or other taxes, adverse changes in investment capital or exchange control regulations (which include suspension of the ability to transfer currency from a country), political changes, diplomatic developments, including the imposition of economic sanctions, or tariffs, and possible difficulty in obtaining and enforcing judgements against non-U.S. entities. Economic or other sanctions imposed on a non-U.S. country or issuer by the U.S., or on the U.S. by a non-U.S. country, could impair a strategy's ability to buy, sell, hold, receive, deliver, or otherwise transact in certain securities. Sanctions could also affect the value and/or liquidity of a non-U.S. security. Many non-U.S. securities markets list securities of only a small number of companies in a small number of industries. As a result, the market prices of securities traded on those markets (particularly in emerging markets) often fluctuate more than those of U.S. securities.

Political uncertainty and instability within a non-U.S. country could result in the imposition of sanctions against officials and institutions of that country. No assurance can be given that adverse political changes and any subsequent consequences (including sanctions) will not cause a Fund to suffer a loss of any or all of its investments (or, in the case of fixed income investments, interest) in non -U.S. countries.

Also, there are risks associated with any license that a strategy needs to maintain to invest directly in securities traded some non-U.S. markets. These licenses are often subject to limitations, including maximum investment amounts. Once a license is obtained, a strategy's ability to continue to invest directly is subject to the risk that the license will be terminated or suspended.

In some foreign markets, prevailing custody and trade settlement practices (e.g., the requirement to pay for securities prior to receipt) may expose a strategy to credit and other risks it does not have in the United States. Further, adverse changes in investment regulations, capital requirements, or exchange controls could adversely affect the value of a strategy's investments.

- *Portfolio Turnover Risk* – There may not be any limits on the rate of portfolio turnover and securities may be sold without regard to the time they have been held when, in GMOS's opinion, investment considerations warrant such action (which may include taking and reversing a position within the same day). A high rate of portfolio turnover involves correspondingly greater expenses (such as brokerage commissions and transaction costs) than a lower rate, may act to reduce a strategy's investment profits, or create a loss for investors. In addition, a high rate of portfolio turnover may result in increased tax costs to investors depending on the tax provisions applicable to such investors.
- *Preferred Securities Risk* – If a strategy owns a preferred stock that is deferring its distribution, it may be required to report income for tax purposes even when it is not receiving current income on the position. Preferred stocks often allow for redemption in the event of certain tax or legal changes or at the issuer's call. In the event of redemption the strategy may not be able to reinvest the proceeds at comparable rates of returns. Preferred stocks are subordinated to bonds and other debt securities in an issuer's capital structure in terms of priority for corporate income and liquidation payments, and therefore will be subject to greater credit risk than those debt securities.
- *Smaller Company Risk* – Companies with smaller market capitalizations or smaller total float-adjusted market capitalization tend to have limited product lines, markets or financial resources, lack the competitive strength of larger companies or have inexperienced managers or depend on fewer key employees than larger companies. In addition, their securities often are less widely held and trade less frequently and in lesser quantities, and their market prices often fluctuate more, than the securities of companies with larger market capitalizations. Market risk and illiquidity risk are particularly pronounced for securities of these companies.
- *Underlying Strategies Risk* – A strategy that invests in other strategies is indirectly exposed to all of the risks of an investment in those underlying strategies, including the risk that the underlying strategies in which it invests will not perform as expected or that the strategy will invest in underlying strategies with higher fees or expenses. At any particular time, one underlying strategy may be purchasing securities of an issuer whose securities are being sold by another underlying strategy, resulting in a strategy

that holds each underlying strategy indirectly incurring the costs associated with the two transactions without changing its exposure to those securities.

Item 9. Disciplinary Information

There are no legal or disciplinary events that GMOS believes are material to a client's or prospective client's evaluation of its advisory business or the integrity of its management.

Item 10. Other Financial Industry Activities and Affiliations

- A. GMOS is not registered, nor does it have an application pending to register, as a broker-dealer in the United States. GMOS is the holder of a Capital Markets Services License from the Monetary Authority of Singapore ("MAS") authorizing GMOS to carry out the regulated activities of "dealing in capital markets products" and "fund management".
- B. GMOS is not registered nor does it have an application pending to register as a futures commission merchant, commodity trading advisor, commodity pool operator, or an associated person of the entities noted below.

Related entities. Please note that all investment personnel of a related adviser are associated persons of GMO with respect to the services they provide to GMO and/or GMO clients as agreed with GMO.

GMO is a U.S. registered investment adviser (SEC File No. 801-15028) located at 53 State Street, Suite 3300, Boston, MA 02109. GMO was founded in 1977 and furnishes investment advisory services predominantly to institutional clients. As described above, GMO is a Massachusetts limited liability company that is controlled by its Members. The Members, analogous to partners in other organizations, include senior individuals in the firm. No Member owns more than 25% of the membership interests in the firm. GMO's headquarters are located in Boston, Massachusetts.

GMO UK Limited ("GMO UK") is a wholly-owned subsidiary of GMO located at No. 1 London Bridge, London SE1 9BG England. The firm commenced operations in December 2003 and services accounts similar to those managed by GMO in the U.S. GMO UK is authorized and regulated in the U.K. by the Financial Conduct Authority. Simon Harris, Anthony Hene, and Carl O'Rourke are Members of GMO and are also employees of GMO UK. Riversdale Waldegrave, Linda Gruendken and Tommy Garvey are employees of GMO UK. All the aforementioned employees are associated persons of GMO with respect to services they provide to GMO and/or GMO's clients as agreed with GMO.

GMO Netherlands B.V. ("GMO Netherlands") is a wholly-owned subsidiary of GMO located at Gustav Mahlerplein 109-115, 26th Floor, 1082 MS Amsterdam. GMO Netherlands was incorporated in November 2018 and is authorized by the Netherlands Authority for the Financial Markets to provide investment services.

GMO Australia Ltd. is a wholly-owned subsidiary of GMO located at Suite 43.02, Grosvenor Place, 225 George Street, Sydney NSW 2000 Australia. GMO Australia commenced operations in November 1995 and manages or services accounts similar to those managed by GMO in the United States. GMO Australia holds an Australian Financial Services Licence issued by the Australian Securities and Investments Commission.

GMO Australia Operating Partnership is a wholly-owned subsidiary of GMO. GMO Australia Operating Partnership is located at Suite 43.02, Grosvenor Place, 225 George Street, Sydney NSW 2000 Australia. GMO Australia Operating Partnership commenced operations in April 2022 to continue the operations of GMO Australia Partnership (which commenced operations in November 1995) in providing management, marketing, client and other services to GMO Australia Ltd. Jason Halliwell is the head of the Systematic Global Macro Team, a Member of GMO and an employee of GMO Australia Operating Partnership. Sean Gleason, Vikram Mundkur and George Ferizis are Members of GMO and employees of GMO Australia Operating Partnership. Peter Martin and Martin Emery are employees of GMO Australia Operating Partnership. All the aforementioned employees are associated persons of GMO with respect to services they provide to GMO and one or more of GMO's clients as agreed with GMO.

GMOS's investment adviser affiliates may provide investment advice to their clients with respect to strategies that are similar to strategies offered by GMOS and those investment advisory affiliates may purchase on behalf of their clients the same securities that GMOS may purchase for its clients. As a result, interests of GMOS's clients may conflict with the interests of clients of GMOS's investment advisory affiliates.

Any of the foregoing related advisers may serve as a placement agent, distributor or marketer of GMO Funds in jurisdictions outside of the United States and share revenue for providing such services.

Related pooled investment vehicles and general partners. GMOS may provide services to GMO in respect of certain series of GMO Trust. GMO Trust was organized by GMO in June 1985. GMO Trust is a registered management investment company (SEC File No. 2-98772, 811-4347). GMO provides management and other services to the constituent funds of GMO Trust.

GMOS may provide services to GMO in respect of certain of the GMO Private Funds.

Members and employees of GMO serve as officers and/or Trustees of GMO Trust. In addition, Members and employees of GMO serve as officers and/or members of the boards of directors of certain GMO Private Funds that pay fees to GMO, including performance fees. In the cases of many GMO Private Funds, GMO Members and employees constitute a majority of the board of directors of the GMO Private Funds. GMO Members and employees who serve as officers, directors or trustees generally have conflicts of interest. GMO may also hold the only voting securities issued by a GMO Private Fund or otherwise may hold a majority of the shares voting at a meeting and will generally have a conflict of interest in exercising its voting rights.

Related commodity pool operators. GMO is registered with the Commodities Futures Trading Commission (“CFTC”) as commodity pool operators and is also a member of the National Futures Association. GMO is also registered with the CFTC as a commodity trading adviser.

GMO Investment Partners, LLC, a wholly-owned subsidiary of GMO and general partner and/or managing member to several private pooled vehicles advised by GMO and serviced by GMOS, is also registered with the CFTC as a commodity pool operator.

Affiliates of GMOS also sponsor limited partnerships or other pooled vehicles. Please see the discussion below in Item 11 describing conflicts related to GMOS’s advisory activities.

Other arrangements. A foundation and a charitable trust established by a GMO Member lease office space at GMO’s offices. The GMO Member has agreed that the charitable trust and the foundation are subject to many of the provisions of GMO’s Code of Ethics and Insider Trading Policy and Procedures, including restrictions on securities trading by the charitable trust and the foundation. The Member has also agreed that certain employees of the foundation will comply with the terms of GMO’s Code of Ethics and Insider Trading Policy and Procedures, as well as GMO’s Code of Conduct, GMO’s Gifts and Entertainment Policy, any restrictions or policies implemented by GMO from time to time with respect to employee investments, and all other GMO workplace conduct policies. The Member, the foundation and the charitable trust have reported that each of them has retained a consulting firm to provide bona fide investment advisory services; the consulting firm also recommends GMO to potential clients. Please see Item 14, “*Client Referrals and Other Compensation*,” which describes the arrangement.

Personnel of GMOS and its affiliates (including GMO Members and employees) may serve on the boards of directors and/or investment committees of external organizations, including public companies and those organizations that are currently or may become clients of GMOS or its affiliates. Such service may present conflicts of interest to the extent the Member or employee becomes aware of material non-public information and he/she may be unable to initiate some transactions for other clients while in possession of that information. GMOS and its affiliates will, to the extent possible, take steps to mitigate such conflicts of interest, if and when, they arise.

- C. GMOS does not recommend or select other investment advisers for its clients for compensation.

Item 11. Code of Ethics, Participation in Client Transactions and Personal Trading

GMOS has adopted a Code of Ethics that is generally applicable to all of its employees and on-site consultants (collectively, “access persons”). The Code of Ethics is designed to comply with Rule 17j-1 of the Investment Company Act of 1940, as amended (the “Investment Company Act”) and Rule 204A-1 of the Advisers Act. The Code of Ethics establishes personal trading procedures, including certain pre-clearance and reporting obligations. While access persons may, subject to the terms of the Code of Ethics, purchase investments for their own accounts, including the same investments as may be purchased or sold for client accounts, the Code of Ethics is designed to prevent its access persons from engaging in personal securities transactions that may compete or

interfere materially with trading of client accounts. In order to give effect to the prohibitions in the Code of Ethics, procedural requirements are also set forth in the Code of Ethics, including pre-clearance by the Compliance Department of many types of trades. Some securities (*e.g.*, certain mutual fund shares, U.S. government securities and money market instruments) and some transactions (*e.g.*, dividend reinvestment, de minimis trades, and transactions in accounts managed by third parties) are exempt from the substantive and/or procedural requirements of the Code of Ethics. Exceptions from the Code of Ethics may be granted. GMO and its other affiliates have adopted the same Code of Ethics.

GMOS also maintains a Code of Conduct Policy that sets forth GMOS's professional expectations of its personnel, as well as a Gift Policy and an Anti-Bribery and Corruption Policy that are designed to provide reasonable oversight of potential conflicts associated with the receipt and giving of entertainment and other gifts.

GMOS also has adopted an Insider Trading Policy and Procedures ("Insider Trading Policy") applicable to all of its personnel, on-site consultants, officers, and directors that forbids such persons from trading, either personally or on behalf of others (such as mutual funds and private accounts managed by GMOS), while either aware of material non-public information or on the basis of material non-public information or communicating of material non-public information to others (commonly referred to as "insider trading"), except in specific, limited circumstances described in the Insider Trading Policy. GMO directors who are not Members of GMO are not treated as "access persons" under the Insider Trading Policy. In connection with its activities, GMOS may seek and/or receive information that is not generally available to the public, which may restrict the ability to transact in any related securities. Please see below, "*Conflicts of Interest Related to Information Known by or Provided to GMOS or its Affiliates.*" The Insider Trading Policy does not provide absolute assurance as to the correct handling of material non-public information but does contain procedures reasonably designed to aid GMOS personnel in avoiding insider trading, and to aid GMOS in preventing, detecting and imposing sanctions against insider trading. Those procedures also include provisions designed to manage the issues associated with GMOS personnel's use of "expert networks," whose members provide expertise in particular sectors or industries to assist GMOS personnel in analyzing securities. GMO and its other affiliates have adopted the same Insider Trading Policy.

GMOS's procedures specifically permit GMOS's Chief Compliance Officer ("CCO"), in their discretion, to establish temporary ethical screens to control the flow within GMOS and its affiliates of material non-public information received by persons subject to the Insider Trading Policy. The use of a temporary ethical screen may enable GMOS to restrict specific GMOS accounts from trading the securities of an issuer, and therefore avoid placing securities of an issuer on a firm-wide restricted list, whereby all GMOS accounts would be prohibited from transacting in securities of such issuer. From time to time, however, based on the relevant facts and circumstances, GMOS's CCO or their designee may deem it necessary or appropriate to restrict trading by all GMOS accounts in the securities of particular issuers and will place such securities on a firm-wide restricted list. Placement of a security on the restricted list will restrict its purchase or sale by GMOS client accounts, including GMOS employee accounts, rendering illiquid any such security already held in a client's account until such time as the security is removed from that list. GMO and its other affiliates have adopted the same procedures.

Conflicts. GMOS attempts to disclose material conflicts of interest in this document. However, because such conflicts are endemic for registered investment advisers, in responding to the particular items of Form ADV Part 2A, GMOS has focused on identifying those conflicts that may be most salient. Set forth in this section is a description of certain conflicts that arise in the course of GMOS's activities as well as a description of how GMOS seeks to address such conflicts. Other sections of this brochure also provide a description of additional conflicts of interest that may arise in the operation of GMOS's business. Please also see Item 12, "*Brokerage Practices*," and Item 16, "*Investment Discretion*," for a description of GMOS' and its affiliates' procedures with respect to the allocation of investment opportunities among its clients, including the allocation of limited opportunities, and a discussion of the research and other factors GMOS and its affiliates consider when selecting brokers to effect transactions for clients. Please also see Item 5, "*Fees and Compensation*," and Item 6, "*Performance Based Fees and Side-by-Side Management*," for a description of conflicts associated with the fees charged by GMOS, including performance fees, as well as analogous incentives associated with GMOS' compensation system. Item 14, "*Client Referrals and Other Compensation*," describes conflicts that may arise with consultants that recommend GMOS to their clients and Item 17, "*Voting Client Securities*" describes conflicts relating to proxy voting.

Conflicts of interest related to advisory activities. GMOS and its affiliates serve as investment adviser to pooled vehicles and separately managed accounts that have similar investment objectives and pursue similar strategies to the pooled vehicles. Certain investments identified by GMOS and its affiliates may be appropriate for multiple clients. Investment decisions for these clients are made by GMOS or its affiliates in their best judgment, but in their sole discretion, taking into account factors they believe are relevant. Such factors may include investment objectives, regulatory restrictions, current holdings, availability of cash for investment, pending contributions or withdrawals, the size of the investments generally, counterparty limitations (e.g., adjustments to a previously established derivative position with a particular counterparty) and limitations and restrictions on a client's account that are imposed by law or by the client (including but not limited to restrictions and limitations resulting from the client having a limited number of trading or other appropriate contractual arrangements in place with counterparties). GMOS and its affiliates generally are not under any obligation to share any investment, idea or strategy with all of their clients. Decisions to buy and sell investments for each client advised by GMOS or its affiliates are made by the relevant Investment Team with a view to achieving each client's investment objectives taking into account the factors noted above. Therefore, a particular investment may be bought or sold for only one client or in different amounts and at different times for more than one but less than all clients, even though it could have been bought or sold for other clients at the same time. Likewise, a particular investment may be bought for one or more clients when one or more other clients are selling the investment. Such transactions may occur through the same broker, particularly in the case of derivatives (e.g., total return swaps) where the ability to utilize a different broker may be limited, and such transactions may be executed at the same or different prices. Additionally, one account may trade in advance of another account within the same or similar investment strategy due to operational considerations and other circumstances.

Conflicts may also arise in cases when clients with different strategies invest in different parts of an issuer's capital structure, including circumstances in which one or more clients own private securities or obligations of an issuer and other clients may own public securities of the same issuer. Actions by investors in one part of the capital structure could disadvantage investors in another

part of the capital structure. It is also possible that GMOS or its affiliates may cause a client to engage in short sales of, or take a short position in, an investment owned or being purchased by other client accounts managed by GMOS or its affiliates or vice versa. These positions and actions may adversely affect or benefit different clients at different times. In addition, purchases or sales of the same investment may be made for two or more clients on the same date. There can be no assurance that a client will not receive less (or more) of a certain investment than it would otherwise receive if GMOS or its affiliates did not have a conflict of interest among clients. In effecting transactions, it may not be possible, or consistent with the investment objectives of GMOS's or its affiliates' various clients, to purchase or sell securities at the same time or at the same prices. Also, GMOS, in executing an investment strategy, may invest a client's account in securities issued by an issuer that is also a GMOS client or prospective client (e.g., a separately managed account client) or an affiliate of a GMOS client or prospective client. This investment may provide economic or other benefits to such issuer. While GMOS does not consider these relationships in formulating investment decisions, GMOS may have a conflict of interest because it may be more likely to be retained as an investment advisor to the issuer or its affiliate if GMOS invests client assets in the issuer's securities. Please see *Item 16, "Investment Discretion,"* which discusses restrictions relating to GMOS's discretionary authority.

When GMOS or its affiliates act as the investment adviser to accounts, including GMO Funds, that pay performance fees, it gives rise to conflicts of interest for GMOS, its affiliates and their personnel. The procedures GMOS and its affiliates follow to deal with the conflicts of interest that arise as a result of the side-by-side management of accounts paying performance fees and accounts only paying asset-based fees are described in *Item 6, "Performance-Based Fees and Side-by-Side Management."*

GMO, or an affiliate of GMO (but not GMOS), serves as the general partner of GMO Private Funds. As a result of its receipt of a performance-based special allocation as general partner, GMO or an affiliate may be allocated a disproportionate amount of capital gains for U.S. federal tax purposes relative to the net assets it (or an affiliate) maintains in a GMO Private Fund. See *Item 6, "Performance-Based Fees and Side-by-Side Management."* GMOS and its affiliates (including their respective Members and employees) also may invest in pooled vehicles advised by GMOS or its affiliates or for which an affiliate of GMOS serves as the general partner. At times, (e.g., when a pooled vehicle commences operations), investments made by GMOS or its affiliates and their respective Members and employees may constitute a substantial percentage of a GMO Private Fund's net assets. GMOS or its affiliates may have an incentive to allocate more assets to those accounts in which they and/or their Members and employees may own a substantial interest or with respect to accounts from which GMOS or its affiliates may recognize taxable capital gains as the result of earning a performance-based special allocation. GMOS seeks to deal with some of the conflicts of interest described in the paragraphs above by following procedures with respect to the allocation of investment opportunities among its clients, including the allocation of limited opportunities. Information regarding these procedures is provided under *Item 12, "Brokerage Practices"* and *Item 16, "Investment Discretion."*

When GMOS and its affiliates serve as the investment adviser to pooled vehicles that GMOS or its affiliates recommend to clients or, pursuant to the discretionary authority granted to GMOS or its affiliates by a client, in which GMOS or its affiliates invest on behalf of a client, it gives rise to an additional conflict of interest because GMOS or an affiliate is paid an asset-based fee and, in

certain cases, a performance fee, by the pooled vehicles and, as a result, has an incentive to cause clients to invest in these pooled vehicles and thereby increase the vehicle's assets and GMOS' or its affiliates' fee. To the extent there is an account-level fee payable by the account to GMOS or its affiliates pursuant to its investment advisory agreement, GMOS or its affiliates will generally credit the amount of any advisory and shareholder service fees paid to GMOS or its affiliate by the pooled vehicle in respect of such account's investment in the pooled vehicle against the account-level fee or will waive the fees otherwise payable with respect to the account's investment in the pooled vehicle (generally as it relates to a Private Fund). This credit or waiver will not necessarily eliminate the conflict of interest (because GMOS or its affiliate will earn more for asset allocation when client assets are allocated among products with a lower average fee) and GMOS or its affiliate may continue to have a financial incentive to cause clients to invest in affiliated pooled vehicles.

To the extent permitted by applicable law, GMOS and its affiliates' compliance policies and procedures, and a client's investment guidelines, GMOS and its affiliates may engage in "cross trades" where, as investment manager to a client account, GMOS or its affiliates cause that client account to purchase a security directly from (or sell a security directly to) another client account. Cross trades present a conflict of interest because GMOS and/or its affiliates represent the interests of both the selling account and the buying account in the same transaction and may have a financial incentive to favor one client account over the other due to different fee arrangements or otherwise. This conflict of interest may be greater in cases where GMOS, its affiliates or their Members and/or employees own a substantial portion of an affiliated pooled vehicle that engages in a cross trade. In addition, to the extent permitted by law (including client consents, which may in some instances be given by the board of directors for GMO Funds), GMOS may engage in principal transactions with client accounts.

Conflicts of interest related to information known by or provided to GMOS or its affiliates. In connection with its activities, GMOS or an affiliate and its associated persons may seek and/or receive information that is not generally available to the public. GMOS and its affiliates are not obligated to make such information available to their clients or to use such information to effect transactions for their clients. Under applicable law, GMOS and its affiliates may be prohibited from improperly disclosing or using such information, including for the benefit of a client. GMOS and its affiliates' procedures include a ban on trading on the basis of, or any other action to take advantage of, material non-public information, except in specific, limited circumstances described in the Insider Trading Policy. These procedures may limit GMOS or its affiliates, on behalf of their clients, from being able to purchase or sell any securities of the issuer to whom the material, non-public information pertains, rendering illiquid all such securities already in a client's account until such time as the ban on trading is lifted or foreclosing an otherwise attractive investment. Please see the discussion above regarding the Insider Trading Policy and ethical screens procedure.

GMOS may make information about GMO Funds' portfolio positions (including short positions) and other information available to unrelated third parties. Some third parties may use that information to provide additional market analysis and research to GMOS. GMOS may use that market analysis and research to provide investment advice to clients other than the client(s) whose portfolio positions were used for the analysis. Please refer to the GMO Funds' policies on Disclosure of Portfolio Holdings, which govern the GMO Funds' disclosure of portfolio holdings

and generally require that the recipient of portfolio holdings enter into a confidentiality agreement with respect to that information.

Item 12. Brokerage Practices

- A. *Best Execution*. Orders for the purchase or sale of securities may be placed on a principal or agency basis with brokers/dealers, in GMOS' discretion. In selecting brokers/dealers to effect portfolio transactions, GMOS seeks best execution and considers a number of factors, described in more detail below. Best execution is not based solely on the explicit commission charged by the broker/dealer and, consequently, a broker/dealer effecting a transaction may be paid a commission higher than that charged by another broker/dealer for the same transaction. Seeking best execution involves the weighing of qualitative as well as quantitative factors, and evaluations of best execution are, to a large extent, possible, if at all, only after multiple trades have been completed.

The determination of what may constitute best execution involves a number of considerations in varying degrees of emphasis, including, without limitation, the overall net economic result to accounts; the efficiency with which the transaction is effected; access to order flow; the ability of the executing broker/dealer to effect the transaction where a large block is involved; reliability (*e.g.*, lack of failed trades); availability of the broker/dealer to stand ready to execute possibly difficult transactions in the future; technological capabilities of the broker/dealer, including but not limited to execution technology; the broker/dealer's inventory of securities sought; reported broker flow; post-transaction reporting capabilities; the financial strength and stability of the broker/dealer; past bids and willingness to commit capital in the case of principal trades; and the relative weighting of opportunity costs (*e.g.*, timeliness of execution) by different trading strategies. Most of the foregoing are subjective considerations made in advance of the trade and are not always borne out by the actual execution. Due to the similarities among brokers/dealers in technological execution capabilities and commissions paid, GMOS and its affiliates often allocates program or algorithmic developed market equity trades across multiple brokers. Additionally, other factors may require GMOS to identify and trade with one or a limited number of brokers/dealers, including regulations in certain markets (particularly emerging markets) and differences in trading documentation and/or arrangements among GMO Funds and accounts. GMOS may place trades with broker/dealers even if the relevant broker/dealer has not yet demonstrated an ability to effect best execution; however, trading with such a broker/dealer (as with any and all brokers/dealers) will typically be curtailed or suspended in due course if GMOS is not reasonably satisfied with the quality of trade executions, unless or until the broker/dealer has altered its execution capabilities in such a way that GMOS can reasonably conclude that utilizing the broker/dealer for trade execution is consistent with GMOS's obligation to seek best execution.

Generally, GMOS determines the overall reasonableness of brokerage commissions paid upon consideration of the relative merits of a number of factors, which may include: (i) the net economic effect to the particular account; (ii) historical and current commission rates; (iii) the kind and quality of the execution services rendered; (iv) the size and nature of the transactions effected; and (v) in some cases, brokerage and research services received (see "*Soft Dollar Practices*"). These factors are considered over multiple transactions covering extended periods of time in varying degrees of emphasis. In some instances, GMOS may evaluate best

execution on principal bids based on the total commissions charged (the bid for handling a trade as a principal trade) because the trades were filled at the price set at an agreed upon time (e.g., previous night's close). In those cases, any additional "impact" or cost is represented by the cents per share or basis points paid in addition to a typical commission rate. GMOS may also direct trades to broker/dealers based in part on the broker/dealers' history of providing, and capability to continue providing, pricing information for securities purchased.

Because GMOS may purchase information from brokers/dealers with whom it effects trades on behalf of its client accounts, the broker/dealer may believe it has a financial incentive to charge a favorable fee to GMOS for such information in return for client brokerage. In addition, GMOS may conduct business with institutions such as brokers/dealers or investment banks that invest, or whose clients invest, in pooled vehicles sponsored or advised by GMOS, or its affiliates, or may provide other consideration to such institutions or recognized agents. As a result, GMOS has a potential conflict of interest in placing its brokerage transactions with those brokers/dealers.

Clients who have or seek non-U.S. equity or fixed income exposure in their accounts frequently give GMOS discretion to execute foreign exchange transactions. In general, GMOS seeks best execution in the execution of foreign exchange transactions by comparing rates across counterparties and selecting the counterparty that GMOS believes can provide best execution. For spot currency trades, GMOS generally nets buy and sell orders in the same currency and selects the counterparty providing the most competitive price for the resulting net trade. All of the buy and sell orders receive the price provided by the selected counterparty and each account trades independently with the counterparty. While the purpose of trading spot currency trades in this manner is to achieve a more favorable execution price for all clients, there can be no assurance that all clients will benefit or that they will benefit equally over time. For legal, regulatory and/or operational purposes, foreign currency orders for some accounts may not be netted for price discovery (as described above). As a result, such accounts may receive inferior prices than accounts that are netted for price discovery even though the trades may be executed at or close to the same time and/or by the same counterparty.

If a client has not granted GMOS discretion to place foreign exchange trades with counterparties other than the client's custodian bank (e.g., because of a client's "all-in" fee arrangement with its custodian), GMOS will have limited ability to seek best execution. In certain jurisdictions where it is general market practice (e.g., restricted currencies) or under circumstances when GMOS believes operational or trading efficiencies may be gained (e.g., income and dividend repatriation; trading in some emerging markets), GMOS may arrange standing instructions with a client's custodian (who may in turn arrange instructions with a subcustodian) to execute the foreign exchange transaction, subject to the custodian's (or subcustodian's) terms and conditions. In the event that a client's custodian offers more than one program for standing instruction trades, and if the client has granted GMOS discretion to do so, GMOS will select the program it believes is in the best interests of the client under the circumstances and over time. GMOS may also determine to select a third-party bank or broker/dealer to execute trades in restricted currencies if GMOS believes that the third party has the ability to provide best execution.

GMOS recognizes that centralized maintenance of a client's futures, exchange-traded options and cleared derivative positions can provide favorable netting of variation margin requirements for the client and provide significant operational efficiencies for the client in reconciling outstanding positions. Consequently, GMOS is prepared to accommodate clients seeking centralization of those functions with the client's clearing broker, but may request that GMOS is permitted to enter into "give-up" or similar arrangements with the executing brokers/dealers of GMOS' choosing and that such arrangements do not, in GMOS' judgment, affect the ability to achieve overall best execution of these transactions.

Soft Dollar Practices. Subject to GMOS's obligation to seek best execution, GMOS may use a portion of the commissions paid when executing client transactions to acquire external research and brokerage services ("soft dollar benefits") in a manner consistent with the "safe harbor" requirements of Section 28(e) of the Securities Exchange Act of 1934 or other applicable law. Specifically, GMOS may utilize client commissions (typically only for transactions in listed equities) to purchase eligible brokerage and research services where those services provide lawful and appropriate assistance in the investment decision-making process for GMOS's client accounts, and where GMOS in good faith believes the amount of the client commission is reasonable in relation to the value of the product or services provided by the broker/dealer.

In most cases, GMOS makes payments for eligible research and brokerage services either via a portion of the commission paid to the executing broker/dealer or through client commission sharing arrangements ("CSAs"). Where a commission paid to a broker/dealer with whom GMOS has established a CSA includes both an execution component and a research component, the broker/dealer may retain the execution portion and either credit or transmit the research portion to a CSA pool, or rebates the research portion to the clients generating those commissions. GMOS evaluates the research and brokerage services it receives from independent research providers and brokers/dealers and GMOS allocates a portion of the CSA pool to the research provider that reflects GMOS's assessment of the value of the research and/or brokerage service. In this manner, CSAs enable GMOS to effect transactions, subject to best execution, and use a portion of the associated commissions to pay for research from providers with which GMOS does not have a brokerage relationship or from brokers/dealers with which GMOS trades on an execution-only basis. GMOS may from time to time utilize a CSA aggregation service ("CSA Aggregator"), whereby GMOS directs brokers/dealers with whom GMOS has established a CSA to transfer their research credits to the CSA Aggregator, and then directs the CSA Aggregator to make payment for eligible research or services or to rebate commissions to the clients generating those commissions. In the event of a broker/dealer's default or bankruptcy, CSA credits generated by trades with the broker/dealer may become unavailable.

Brokerage and research services acquired using soft dollars take various forms, including but not limited to personal interviews with analysts or a company's senior management; reports and/or data concerning issuers, industries, governmental policies, local markets and applicable local market regulations, securities, economic factors and trends; portfolio strategy; economic, market and financial data; accounting and legal analysis; pricing services in respect of securities; and other services relating to effecting securities transactions and functions incident thereto. Research may be provided through a range of media, including written reports,

electronic systems, telephone calls or in-person meetings. Although GMOS generally intends to use client commissions to pay only for products or services eligible under the Section 28(e) “safe harbor,” GMOS may use commission dollars to obtain products or services that are not intended to be used exclusively for investment decision-making purposes (“mixed-use products or services”). In those circumstances, GMOS will typically either (i) make a good faith effort to evaluate the various benefits and uses for which GMOS intends to use the mixed-use product or services, and will pay for that portion of the mixed-use product or service that is unrelated to GMOS’s investment decision-making; or (ii) pay for the total cost of the mixed-use product or service.

Use of soft dollars, while common in the asset management industry, involves potential conflicts of interest. To the extent that services of value are received, GMOS receives a benefit because it does not need to produce or pay for the research or brokerage services itself. Additionally, fees paid to GMOS are not reduced in connection with GMOS’s use of soft dollars, even though GMOS might otherwise be required to purchase some of these products and services for cash. As a result, GMOS may have an incentive to select a particular broker/dealer in order to obtain brokerage or research services and/or generate CSA credits to pay for such services, rather than to obtain the lowest price for execution. GMOS does not enter into any agreement or understanding with any broker/dealer which would obligate GMOS to direct a specific amount of brokerage transactions or commissions in return for such services, but certain brokers/dealers may state in advance or in a commission sharing agreement the amount of brokerage commissions they expect for certain services or that they may cease providing services if insufficient commissions are derived from the relationship with GMOS.

Clients do not receive a direct monetary benefit from brokerage and research products and services; however, these products and services may be useful to GMOS in providing investment advice to its clients. Any research received is used to service all clients to which it is applicable, whether or not the client’s commissions were used to obtain the research, and services received from a broker/dealer (or paid for by commissions paid to a broker/dealer) that executed transactions for a particular client account will not necessarily be used specifically in providing investment advice to that particular client account. To the extent that a client has placed restrictions on trading with certain brokers/dealers or otherwise, the client’s account may not contribute (or may not contribute as much as other client accounts) to the CSA pool even though GMOS may utilize brokerage and research services paid for out of the CSA pool in providing investment advice to the client’s account. Similarly, some client accounts will generate more CSA credits than other client accounts for a variety of reasons, including but not limited to account size, trading frequency and the investment strategy in which the account is managed. GMOS, in its sole discretion, may agree to reimburse a client for some or all of the client’s commissions attributable to brokerage or research services.

Affiliated Brokers. With respect to the Mutual Funds or sub-advised mutual funds (collectively, the “Mutual Funds”), GMOS does not knowingly place any principal trades for a Mutual Fund through affiliated persons of the Mutual Fund (or affiliated persons of affiliated persons of the Mutual Fund (as defined in the Investment Company Act of 1940, as amended)) acting as broker/dealer. To the extent a broker/dealer is believed to have such an affiliation with the Mutual Fund or to the extent legal or factual uncertainty leads GMOS to treat a

broker/dealer as having such an affiliation, the Mutual Fund may be adversely affected by GMOS's decision not to enter into principal or agency transactions on its behalf with the broker/dealer.

Directed Brokerage. GMOS does not engage in directed brokerage. To the extent that execution of certain strategies is practically limited (e.g. use of "enhanced custody" arrangements to facilitate short transactions by Mutual Funds) or to the extent that clients place restrictions on counterparties (e.g., based on credit rating), lack appropriate contractual arrangements with counterparties, utilize a single prime broker to facilitate short transactions, or limit foreign exchange transactions to execution by the clients' custodian bank, there may be fewer eligible counterparties available for trading and execution for those clients, best execution may be more difficult to achieve for those clients and those clients may receive different, and sometimes inferior, prices than other GMOS clients.

GMO has a Trading Desk whose personnel are located in Boston and Singapore. The Trading Desk is inclusive of at least two GMOS representatives. The Trading Desk provides trade execution services for all of the GMO investment teams, including any applicable associated persons ("Investment Teams"). While there is a centralized trading function, certain instruments (e.g., fixed income securities) may be traded by the respective Investment Teams. Trades are generated by different investment theses. Each investment thesis is assigned a corresponding execution benchmark (e.g., price at the time of order arrival, market closing price, volume weighted average price over some specified period) (each investment thesis and corresponding execution benchmark, is a "trading strategy" and collectively, "trading strategies"). Certain trading strategies place relatively greater emphasis on speed of execution and less emphasis on price, while others place greater emphasis on price (or impact on market price) and less emphasis on speed of execution. Trading strategies may be designed to be executed in a matter of an hour or less, several hours, over the course of a trading day, or over a multi-day period. Therefore, trades generated by one trading strategy may be completed before those of another trading strategy; even where the strategies are initiated at the same time or the slower trading strategy is initiated first. As a result, the speed of order fulfillment, and corresponding execution price achieved for a subsequent order may be different from pre-existing orders with the execution pricing achieved on a particular order being either above or below the execution pricing achieved on pre-existing orders, which may take longer to fill. Additionally, for trading strategies implementing short-term investment strategies, those investment theses that utilize fundamental inputs on an opportunistic basis, and trades to manage short-term portfolio exposure may trade in advance of or may be completed more quickly than other trading strategies. Finally, varying investment theses that may invest in the same securities may involve trading strategies that trade at different times throughout the day or month. Because of the foregoing, certain strategies, including accounts with performance fees, may trade in advance of other strategies or may be completed more quickly, and, as a result, may achieve different execution on the same or similar investments.

Where practicable, prior to the open of the relevant market, GMOS aggregates trades for accounts that are being traded to implement a similar trading strategy and for which trade instructions are provided with sufficient time to satisfy internal processes. The Trading Desk generally allocates portfolio trades pro-rata among clients for which GMOS is applying the same trading strategy on any given day, with the relevant clients receiving the same price for

trades executed through the same broker/dealer on the same day. GMOS may determine to exclude accounts with relatively small order sizes from a particular trade order if GMOS believes that the trading costs (e.g., ticket costs) would outweigh the benefits of trading. Additionally, due to regulatory restrictions trades at execution-only prices will not typically be aggregated with trades generating CSA credits or soft dollars.

As noted above, trading strategies may utilize different brokers/dealers and will often receive different prices and potentially pay different commissions rates. Likewise, two trading strategies may be simultaneously executing transactions involving the same instrument and those trades will not ordinarily be aggregated. In addition, market, regulatory and/or country limitations (especially in the case of emerging markets) or other factors may or may not result in identical prices or commissions. Further, legal, market and position restrictions may limit GMOS' ability to transact in an instrument or certain investment strategies may be given a priority over other investment strategies, which could restrict (or eliminate) an investment strategy's or account's ability to achieve its desired exposure to such instruments. Additionally, at times, trades for one account may not be aggregated with the trades of other accounts within a particular strategy for various reasons including, but not limited to, regulatory restrictions, shareholder cash flows in the account, limitations on brokers/dealers that may be used to execute the transaction, or transactions in derivatives (e.g., total return swaps). Please also see the discussion below regarding initial public offerings and offerings of limited opportunities.

Trading orders that can only be partially filled are generally allocated on a pro-rata basis but may also be allocated on some other basis consistent with the goal of giving all clients equitable opportunities over time. Market limitations (especially in the case of emerging and/or frontier markets where the broker/dealer typically is required to have greater involvement in allocations), and other practicalities may require special treatment. If an order is filled at varying prices, client accounts participating in the same block trade are generally provided with an average price for trades placed through the same broker/dealer, or other steps are taken so that all similarly situated accounts receive fair consideration over time. In some cases, similar trades may simultaneously be executed in different trading strategies, with the same or a different broker/dealer to meet account-specific requirements, in which case the trades will be treated as distinct trades not subject to the discussion above regarding orders that are filled at varying prices. In those cases, these trades, which may include executions in underlying derivative transactions, might be affected at the same or different prices (or involve different commissions) even if they involve the same broker/dealer. In certain markets outside the U.S., an average price may not be obtainable due to specific market limitations such as restrictions on trades by grouped accounts.

Various traders within the Trading Desk are responsible for differing types of trades and these traders may be independently executing trades in the same security at the same time and at different prices. GMOS' trade allocation procedures are designed to provide reasonable assurance that, over time, accounts pursuing the same trading strategy are not likely to be systematically advantaged or disadvantaged due to the order placement/execution process. These procedures may include blocking/aggregating orders or limiting the volume of subsequent orders. While there is a centralized Trading function, certain instruments (e.g., fixed income securities) may be traded by the respective Investment Teams.

With initial public offerings (IPOs) and with certain other investment opportunities expected to be in very limited supply (collectively, “limited opportunities”), GMOS’ policies provide that the Investment Teams’ orders be coordinated so that allocations will generally consider the needs of clients across all trading strategies. When it is not practicable to allocate an opportunity across all similarly managed eligible accounts, the Trading Desk will seek to provide all accounts using the same trading strategy with equitable opportunities for allocation over time. There may also be situations where a limited opportunity is theoretically eligible for investment by multiple accounts but GMOS determines that the limited opportunity is an appropriate or applicable investment for only some of the accounts (including, perhaps, those on which GMOS charges a performance fee). See Item 16, “*Investment Discretion*,” for further discussion of GMOS’ investment practices. Many of GMOS’s investment strategies focus on seasoned issuers, and consequently those strategies that generate most of the brokerage commissions may participate less frequently in limited opportunities even though they may generate significant brokerage commissions or good will that may make it possible for other strategies to receive greater allocations of limited opportunities.

In certain non-U.S. jurisdictions, local law limits the number of accounts sponsored by GMOS that may purchase locally traded shares or shares traded through special facilities. Generally, GMO Trust Funds will be given priority and other clients may be precluded from participation in offerings of local shares.

Item 13. Review of Accounts

- A. GMO Funds are subject to regular review by members of the Investment Teams. Members of the relevant Investment Teams report regularly to the Board of Trustees of the GMO Mutual Funds. Members of the relevant Investment Teams also report regularly to the Boards of Directors of those GMO Private Funds organized as Bermuda corporations and the Boards of Directors of the GMO Private Funds domiciled in Ireland.

Client Relationship Managers (“CRMs”) and members of the Investment Teams generally provide client account reviews on a periodic basis. Reviews include a summary of relevant market conditions that have affected the accounts since the last reporting period and that may affect the accounts in the future. General reviews of accounts usually involve consideration of investment objectives, types of portfolio securities owned, investment performance, and similar matters; however, the matters reviewed may be limited to the factors that triggered the reviews. All CRMs and appropriate members of the Investment Teams are expected to participate in client account reviews as needed.

- B. In addition to the regular review performed by members of the relevant Investment Teams, factors that may trigger a review include, but are not limited to: changes in market or economic conditions; changes in information regarding particular issuers; purchases and sales of securities; changes in the investment process or investment team personnel; and changes in a client’s needs communicated to GMOS. Client requests may also trigger a review.
- C. GMOS provides written reports to clients at various frequencies including daily, monthly, and quarterly or in response to heightened market interest. A client report will contain some or all of the following components: account performance, change in market value, transaction

details, estimated fees, attribution or contribution analysis, investment review, market review, profile summary, and holdings. Client reports may be augmented by additional written or oral communications.

The Boards of Trustees of the GMO Mutual Funds and the Boards of Directors of the GMO Private Funds incorporated in Bermuda, the Board of Directors of the GMO Private Funds domiciled in Ireland periodically receive reports that include a summary of relevant market conditions that have affected selected portfolios during the reporting period and that may affect these portfolios in the future. These Boards also have the opportunity to review performance of all relevant portfolios at the time of their respective meetings.

Item 14. Client Referrals and Other Compensation

GMOS does not receive an economic benefit from anyone who is not a client for providing investment advice or other advisory services to GMOS clients.

Funds Distributor LLC, an unaffiliated broker/dealer, has been retained (for regulatory reasons only) to effect client transactions in shares/interests of certain GMO Funds and to act as a placement agent for the majority of the GMO Private Funds. Similarly, Robson Capital Management, Inc. (“Robson”) an unaffiliated broker/dealer, has been retained (for regulatory reasons) to effect client transactions in shares/interest of certain GMO Funds for Canadian-domiciled clients. Neither Funds Distributor LLC nor Robson solicit clients on behalf of GMOS or any of its affiliates. GMOS or an affiliate or certain GMO Funds may retain other third-party placement agents to place interests or shares with investors, or to otherwise assist with the offer and sale of GMO Funds’ interests or shares - often in connection with opportunities in specific jurisdictions. Specifically, GMOS entered into an agreement with GI Capital in Japan to perform similar services and the agreement contemplates payments based on a percentage of base and/or performance fees. The compensation paid to Funds Distributor LLC, Robson or other third-party placement agents may be paid by GMOS, or an affiliate or out of the relevant GMO Funds’ assets. Clients should inquire of their consultants or other advisers as to whether GMOS or an affiliate is involved in any arrangement where the consultant or adviser believes it has any financial or other incentive to give favorable evaluations of GMOS, a GMOS affiliate, or a GMO Fund.

GMOS, or an affiliate, may enter into arrangements with, and /or make payments from their own assets to, certain intermediaries to enable access to GMOS and/or GMO Funds on platforms and through programs by such Intermediaries. Such arrangements or payments may establish contractual obligations on the part of such Intermediary to provide GMOS and/or its clients with certain services. These arrangements and/or payments present conflicts of interest because they may provide incentives for intermediaries, or customers or clients of intermediaries to recommend, or otherwise make available, GMOS or GMO strategies or GMO funds to their clients in order to receive or continue to benefit from these arrangements.

GMOS relies primarily on the business development and marketing activities of its personnel to solicit new business. However, GMOS, or any of its affiliates, may retain third parties to solicit clients and/or place interests or shares with investors, or to otherwise assist with the offer and sale

of GMO Funds' interests or shares. GMOS, or any of its affiliates, may directly compensate such third parties for client referrals. In those cases, GMOS, or any of its affiliates, may enter into a written agreement with such solicitor that outlines the compensation for such referrals, and describes the various procedures the solicitor is required to follow. As a result of the compensation offered to the solicitors, those solicitors will have a financial incentive to recommend GMOS, a GMOS affiliate, or a GMO Fund, to prospective investors. Additionally, certain third parties may provide capital introduction services on behalf of GMOS and/or the GMO Private Funds. Such third parties could include brokers, dealers or other counterparties that GMOS transacts with on behalf of GMO Funds and/or separately managed accounts or other service providers to GMOS, a GMOS affiliate, and/or the GMO Funds. While no compensation is paid by GMOS or the GMO Funds in connection with these services, the third parties may seek to influence their selection by GMOS as a service provider or counterparty by providing such capital introduction services. All counterparties and third-party service providers, including those that provide capital introduction services, are subject to GMOS's standard practice for the selection of counterparties (as described in Item 12 above, in the case of broker/dealers that effect trades on behalf of GMOS clients).

GMOS may purchase: (1) access to information such as subscriptions to periodicals or search services that contain requests for proposals, (2) participation in conferences, (3) research papers, (4) access to surveys from organizations affiliated with professional consultant or financial services firms that advise (or whose affiliates advise) potential GMOS clients and (5) access for inclusion in searches for prospective clients in the form of administration fees. GMOS Directors, and employees may have familial and/or personal relationships with personnel of professional consultant or financial services firms that advise (or whose affiliates advise) potential GMOS clients or that recommend GMOS services.

GMOS does not make payments to consultants or financial services firms conditioned on favorable evaluations of GMOS or for client referrals. Nonetheless, as a result of the arrangements described in the prior paragraphs or otherwise, consultants or financial services firms and/or their personnel may have a financial incentive to give favorable evaluations of GMOS and may therefore operate as if they are faced with a conflict of interest. GMOS, in its sole discretion, may waive investment minimums. In particular, GMOS may waive a Fund's investment minimum for clients whose investment consultant has full discretion or exercises substantial influence over its clients' assets and where the relationship meets the investment minimum. Clients should inquire of their consultants or other advisers as to whether GMOS: (1) waived investment minimums for their clients or personnel, (2) purchases or receives any information from such firm or any affiliate thereof, (3) has personnel that have familial and/or personal relationships with the consultant or adviser, or (4) is involved in any other arrangement where the consultant or adviser it has (or believes it has) any financial incentive to give favorable evaluations of GMOS or to promote GMOS' services or GMO Funds.

Item 15. Custody

In general, GMOS takes steps to avoid having custody of client funds and securities. Most of GMOS's clients with separately managed accounts engage third-party custodians (including prime brokers) to maintain custody of their funds and securities, and GMOS's authority with respect to such funds and securities is generally limited to issuing instructions to the client's custodian to

effect or to settle trades pursuant to an investment management agreement. GMOS has no control over separately managed account clients' third-party custodians.

Some clients give GMOS or its affiliates the power to withdraw funds from the relevant client's investment in a GMO pooled vehicle and invest those proceeds in another GMO pooled vehicle that is a permitted investment for that client. Other clients may provide standing instructions to GMOS or its affiliates to redeem shares of GMO pooled vehicles held in their account to the extent necessary to pay a base or advisory fee and any special allocation. Without coming to a legal conclusion as to whether GMOS or its affiliates has custody in these instances (or, for example, whether the allocation of assets among funds is merely settling of trades), GMOS and its affiliates operates as if they do have custody with respect to those accounts. Accordingly, GMOS and its affiliates have procedures reasonably designed to ensure that the transfer agent or administrator of the relevant GMO pooled vehicle will deliver account statements at least quarterly to each such account and certain of those accounts are subject to an annual surprise exam by an independent auditor. Clients should carefully review those statements and, to the extent GMOS or its affiliates also deliver statements to such clients, compare the statement from GMOS or its affiliates to the statement of the transfer agent or administrator.

Item 16. Investment Discretion

GMOS accepts authority to manage client assets on a discretionary basis. In general, clients enter into a written investment advisory agreement with GMOS, which sets forth the parties' responsibilities and the scope of GMOS's authority over the client's account. The standard of care applicable to GMOS and the agreed upon methodology for calculating damages, if any, are often set forth in the investment advisory agreement. Unless otherwise provided, and where appropriate, GMOS may net any gains or losses in the client's account associated with the breach of the standard of care. As described above in Item 4, "*Advisory Business*," GMOS's discretionary authority as to the securities to be bought or sold for an account is subject to the agreed-upon investment objectives, guidelines, limitations and restrictions for the account. Such investment limitations vary from one account to another and may include, but are not limited to, diversification requirements, benchmark deviation, industry concentration, restrictions prohibiting the purchase of certain securities or securities of certain types of issuers, prohibiting investments in certain countries or markets, and prohibiting the employment of certain investment strategies or techniques (*e.g.*, derivatives).

Decisions to buy and sell portfolio securities for each of GMOS's investment advisory clients are made by GMOS with a view to achieving each client's investment objectives taking into consideration other account-specific factors such as, without limitation, cash flows into or out of the account, current holdings, the account's benchmark(s), applicable regulatory limitations, liquidity, cash restrictions, applicable transaction documentation requirements, market registration requirements and/or time constraints limiting GMOS's ability to negotiate adequate transaction documentation or seek interpretation of investment guideline ambiguities. Therefore, a particular security may be bought or sold only for certain GMOS clients even though it could have been bought or sold for other clients at the same time. As noted above, there may also be situations where a limited opportunity is theoretically eligible for investment by multiple accounts by GMOS and/or its affiliates determine that the limited opportunity is an appropriate investment for only some of the accounts (including, perhaps, those on which GMOS charges a performance fee). A

particular security may be bought/sold for one or more clients when one or more other clients are selling/buying the security or taking a short position in the security, including clients invested in the same investment strategy. Additionally, one Investment Team may share investment ideas with one or more other Investment Teams and/or may manage a portion of another Investment Team's client accounts.

Item 17. Voting Client Securities

For separately managed account clients who have explicitly delegated responsibility for proxy voting to GMOS in writing, GMOS has adopted proxy voting policies and procedures. In some instances, GMOS may agree to implement a client's own proxy voting policy. GMOS has engaged a third-party service provider to be its proxy voting agent. GMOS's policies and procedures describe its proxy voting guidelines, the administration of the proxy voting process, how conflicts of interest will be addressed and recordkeeping requirements. Separately managed account clients who have delegated responsibility for proxy voting to GMOS, whether according to GMOS's proxy voting policies and procedures or according to such clients' own proxy voting policies and guidelines, may contract for the right to direct GMOS's vote in a single, particular solicitation. A copy of GMOS's Proxy Voting Policy is available on request.

In instances where GMOS has the responsibility and authority to vote proxies on behalf of its clients for shares of GMO Trust, there may be instances where a conflict of interest exists. Accordingly, the policies and procedures provide that GMOS will: (i) vote such proxies in the best interests of its clients with respect to routine matters, including proxies relating to the election of Trustees; and (ii) with respect to matters where a conflict of interest exists between GMOS and GMO Trust, such as proxies relating to a new or amended investment management contract between GMO Trust and GMOS, or a re-organization of a series of GMO Trust, GMOS will either (a) vote such proxies in the same proportion as the votes cast with respect to that proxy, (b) seek instructions from its clients (which may be the governing body of a GMO Fund), or (c) take such other action as GMOS deems appropriate in consultation with GMO Trust's Chief Compliance Officer.

In addition, if GMOS is aware that one of following conditions exists with respect to a proxy, GMOS shall consider such event a potential material conflict of interest: (1) GMOS has a material business relationship or potential relationship with the issuer; (2) GMOS has a material business relationship with the proponent of the proxy proposal; or (3) GMOS personnel or consultants have a personal or other material business relationship with the participants in the proxy contest, such as corporate directors or director candidates. In the event that GMOS is aware of a potential material conflict of interest, GMOS will (i) vote such proxy according to its guidelines; (ii) seek instructions from the client or request that the client vote such proxy; or (iii) abstain.

For investors in GMO Trust Funds, information regarding how such Funds voted proxies relating to portfolio securities during the most recent 12-month period ended June 30 is and will be available on the GMO website at www.gmo.com, and on the Securities and Exchange Commission website at www.sec.gov no later than August 31 of each year. For clients invested in GMO Private Funds or separately managed accounts for which GMOS has been delegated proxy voting authority, each client may contact its designated CRM to receive information regarding how such fund or account voted proxy securities.

If GMOS has not accepted authority to vote a client's proxies, such client should arrange to receive proxy solicitation materials directly from its custodians or transfer agents. A client may contact its designated CRM with questions regarding a particular solicitation.

For separate accounts, unless explicitly provided to the contrary in the relevant investment management agreement, GMOS does not advise clients on the merits of joining class actions or other litigation relating to securities held in separate accounts and has no direct role with respect to clients' participation in class action settlements. GMOS does not generally serve as lead plaintiff in class action lawsuits. For GMO Funds, GMOS may retain a third-party service provider to facilitate participation in class action settlements.

Item 18. Financial Information

- A. GMOS does not require or solicit prepayment of fees.
- B. GMOS confirms that there is no financial condition that would be reasonably likely to impair its ability to meet contractual commitments to clients.
- C. GMOS has not been the subject of a bankruptcy petition at any time during the past ten years.

APPENDIX A

Investment Strategies

Emerging Equities

Emerging Markets

The GMO Emerging Markets Strategy seeks to generate high total return in excess of that of its benchmark, the MSCI Emerging Markets Index, by investing in emerging market equities. It is expected that the Strategy will have a value bias to its benchmark.

Emerging Markets ex-China

The GMO Emerging Markets ex-China Strategy seeks total return in excess of that of its benchmark, the MSCI Emerging Markets ex-China Index, by investing in emerging market equities excluding China.

THE STRATEGIES DESCRIBED ABOVE ARE SUBJECT TO CHANGE WITHOUT NOTICE TO ANY RECIPIENT OF THESE MATERIALS. CLIENTS INTERESTED IN INVESTING IN A STRATEGY THAT MAY BE OFFERED THROUGH A POOLED VEHICLE SHOULD RELY UPON DISCLOSURE INCLUDED IN A PROSPECTUS OR PRIVATE PLACEMENT MEMORANDUM PREPARED FOR THAT FUND. THE INFORMATION CONTAINED IN THESE MATERIALS IS SUBJECT IN ITS ENTIRETY TO AND SUPERSEDED BY THE DISCLOSURE IN SUCH PROSPECTUS OR PRIVATE PLACEMENT MEMORANDUM TO THE EXTENT OF A CONFLICT. TO THE EXTENT THAT THE TERMS OF THIS BROCHURE CONFLICT WITH AN INVESTMENT MANAGEMENT AGREEMENT GOVERNING A SEPARATELY MANAGED ACCOUNT, THE INVESTMENT MANAGEMENT AGREEMENT WILL CONTROL. POOLED VEHICLES MAY BE SUBJECT TO RESTRICTIONS ON THE TYPES OF INVESTORS WHO MAY INVEST. NOTHING HEREIN IS INTENDED TO OPERATE AS AN OFFER TO SELL SECURITIES