

QUARTERLY INVESTMENT REVIEW

U.S. Opportunistic Value Strategy

Performance returns (USD)

ANNUALIZED RETURNS (QUARTER-END)	Quarter-End	YTD	1-Year	3-Year	5-Year	10-Year	Since Inception
U.S. Opportunistic Value Strategy (net)	10.32	10.32	25.16	-	-	-	19.08
U.S. Opportunistic Value Strategy (gross)	10.46	10.46	25.78	-	-	-	19.68
S&P Composite 1500	10.31	10.31	29.15	-	-	-	22.19
Value Add vs. S&P Composite 1500	+0.01	+0.01	-4.00	-	-	-	-3.12
S&P Composite 1500 Value	7.59	7.59	24.70	-	-	-	21.17
Value Add vs. S&P Composite 1500 Value	+2.73	+2.73	+0.46	-	-	-	-2.09

Major Performance Drivers

Global markets carried the positive performance seen at the end 2023 into 2024, despite heightened geopolitical tensions in the Middle East, rising oil prices, and sticky inflation. The U.S. posted the strongest returns, followed by Developed Markets outside the U.S., and Emerging Markets. Again, China was a notable exception to the global positivity as a mix of financial and policy challenges continues to weigh on sentiment for the country and its potential to contribute to global growth.

Within the U.S., Value lagged Growth in the first quarter. As expected, we saw less difference in how the style performed across index families after the most recent S&P rebalance in December, with both the S&P Composite 1500 Value index and the MSCI USA Value index underperforming their respective core equivalents. In this environment the stocks we identified as the most expensive were the best performers overall, but performance of the underlying models was mixed, with stocks identified as Deep Value by the Price to Fair Value model outperforming the broader market.

The portfolio ended the quarter slightly ahead of the S&P Composite 1500 due to a mix of allocation and stock selection decisions. Energy was a top contributor from a mix of overweight allocation and stock selection. Other areas of strong Deep Value stock selection included Financials and Consumer Discretionary.

Deep Value stock selection detracted the most in Information Technology and Health Care. Related Deep Value-driven sector allocations also detracted, including overweight positioning toward Health Care and underweight positioning toward Information Technology.

Inception Date: 28-Jun-22

Performance for the year of inception is less than a full calendar year. Returns shown for periods less than one year are not annualized.

Risks: Risks associated with investing in the Strategy may include Focused Investment Risk, Commodities Risk, Market Risk-Equities, Management and Operational Risk and Smaller Company Risk. Returns shown for periods greater than one year are on an annualized basis. To obtain performance information to the most recent month-end, visit www.gmo.com.

Performance Returns: Performance data quoted represents past performance and is not predictive of future performance. Net returns are presented after the deduction of a model advisory fee and incentive fee if applicable. These returns include transaction costs, commissions and withholding taxes on foreign income and capital gains and include the reinvestment of dividends and other income, as applicable. Fees paid by accounts within the composite may be higher or lower than the model fees used. **GMO LLC claims compliance with the Global Investment Performance Standards (GIPS®). A Global Investment Performance Standards (GIPS®) Composite Report is available on GMO.com by clicking the GIPS® Composite Report link in the documents section of the strategy page. GIPS® is a registered trademark owned by CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein. Actual fees are disclosed in Part 2 of GMO's Form ADV and are also available in each strategy's Composite Report.** The portfolio is not managed relative to a benchmark. References to an index are for informational purposes only. The local market in which some accounts in the composite are priced was closed for Good Friday on March 29, 2024. Therefore, the performance for the strategy and corresponding benchmark will utilize March 28 for purposes of the ending valuation for the March return and the starting valuation for the April return. Gross returns are presented gross of management fees and any incentive fees if applicable. These returns include transaction costs, commissions, withholding taxes on foreign income and capital gains and include the reinvestment of dividends and other income, as applicable. If management and incentive fees were deducted performance would be lower. For example, if, before fees, the strategy were to achieve a 10% annual rate of return above its hurdle rate each year for ten years, and an annual advisory fee of 1% and incentive fee of 20% of net returns above the hurdle rate were charged during that period, the resulting average annual net return (after the deduction of management and incentive fees) would be approximately 7.20%. The portfolio is not managed relative to a benchmark. References to an index are for informational purposes only.

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PRODUCT OVERVIEW

The GMO U.S. Opportunistic Value Strategy seeks total return. The Strategy currently seeks to profit from our Asset Allocation team's insight that "deep value" stocks are truly dislocated in the U.S. This actively managed strategy avoids the "shallow value" stocks, which are expensive relative to their own history, and focuses solely on the deep value names that GMO's Systematic Equity team identifies as the most undervalued, recognizing that relying on reported financials and index definitions of value can lead investors to misjudge the opportunity.

IMPORTANT INFORMATION

Comparator Index(es): The S&P Composite 1500 combines three leading indices, the S&P 500, the S&P MidCap 400, and the S&P SmallCap 600, to cover approximately 90% of U.S. market capitalization. It is designed for investors seeking to replicate the performance of the U.S. equity market or benchmark against a representative universe of tradable stocks.

The above information is based on a representative account in the Strategy selected because it has the fewest restrictions and best represents the implementation of the Strategy.

ABOUT GMO

Founded in 1977, GMO is a global asset manager committed to delivering superior performance and advice to our clients. We are privately owned, which allows us to singularly focus on our sole business – achieving outstanding long-term client investment outcomes. Offering multi-asset, equity, fixed income, and alternative strategies, we invest with a long-term, valuation-based philosophical approach.

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