

QUARTERLY INVESTMENT REVIEW

U.S. Equity Strategy

Performance returns (USD)

ANNUALIZED RETURNS (QUARTER-END)	Quarter-End	YTD	1-Year	3-Year	5-Year	10-Year	Since Inception
U.S. Equity Strategy (net)	12.21	12.21	28.36	11.80	15.35	11.72	11.06
U.S. Equity Strategy (gross)	12.35	12.35	29.01	12.36	15.93	12.28	11.60
S&P Composite 1500 +	10.31	10.31	29.15	10.98	14.54	12.47	10.87
Value Add	+1.91	+1.91	-0.79	+0.81	+0.81	-0.75	+0.19

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.

Amid the strong U.S. equity performance, Value underperformed Growth in the first quarter. In this environment Momentum models posted the strongest performance and stocks with poor Alerts scores underperformed the broader market, as we would expect. Value model group performance was mixed, while Bottom-up Value models struggled our Top-down Industry Value model was much more successful.

Positive performance in the quarter was driven primarily by stock selection. Areas of notable strength included Consumer Discretionary, Financials, and Industrials. An underweight toward Real Estate accounted for the bulk of the gains from sector allocation.

Information Technology was the biggest stock selection challenge, including poor selection within Semiconductors and Semiconductor Equipment.

Inception Date: 18-Sep-85

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 Market Risk - Equities, Management and Operational Risk, Focused Investment Risk, Illiquidity Risk, and Derivatives and Short Sales 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. Equity Strategy seeks to generate high total return by investing primarily in U.S. equities. The Strategy's benchmark is the S&P Composite 1500+ Index.

The Strategy's investment approach is grounded in the Systematic Equity team's belief that, in the short term, equity markets exhibit exploitable inefficiencies as a result of irrational investor actions, the imperfect flow of information, and the participation of non-economic actors, while in the long-term returns are ultimately driven by economic reality. The Strategy aims to take advantage of this inefficiency by utilizing a multi-factor valuation model in conjunction with other methods, such as cross-asset signals and corporate alerts, to identify mispriced equity securities.

IMPORTANT INFORMATION

Comparator Index(es): The S&P Composite 1500 + Index is an internally maintained benchmark computed by GMO, comprised of (i) GMO blended benchmark of U.S. Equity Allocation Comp blended Benchmark through 06/30/2014, (ii) Russell 3000 through 3/31/2020, and (iii) S&P Composite 1500 thereafter. The GMO blended benchmark of U.S. Equity Allocation Comp blended Benchmark is comprised of a weighted average of account benchmarks; many of the account benchmarks consist of S&P 500, Russell 3000 or some like proxy for each market exposure they have. For each underlying account benchmark, the weighting of each market index will vary slightly. The index is internally blended by GMO and maintained on a monthly basis. S&P does not guarantee the accuracy, adequacy, completeness or availability of any data or information and is not responsible for any errors or omissions from the use of such data or information. Reproduction of the data or information in any form is prohibited except with the prior written permission of S&P or its third party licensors. Russell Investment Group is the source and owner of the trademarks, service marks and copyrights related to the Russell Indexes. Russell® is a trademark of Russell Investment Group.

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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*GMO's West Coast Hub is comprised of members of Investment, Global Client Relations, and other teams located in and around the Greater San Francisco area

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