

BENCHMARK-FREE ALLOCATION

OVERVIEW

The GMO Benchmark-Free Allocation Strategy seeks to generate positive total return by allocating dynamically across asset classes, free from the constraints of traditional benchmarks.

The philosophy that underlies all of GMO's Asset Allocation investment strategies is the belief that, at times and in the short term, the pricing of asset classes can deviate from true intrinsic value, but mean reverts to appropriate valuation levels over the long term. GMO's proprietary 7-Year Asset Class Forecasts form the foundation of our investment process, providing a framework to assess the return opportunity embedded in different asset classes. We use that insight to allocate to what we believe are the most attractively priced asset classes.

CUMULATIVE TOTAL RETURNS (USD, NET OF FEES, %)

| | <i>MTD</i> | <i>QTD</i> | <i>YTD</i> | <i>2023</i> | <i>2022</i> | <i>2021</i> | <i>2020</i> | <i>2019</i> |
|-----------|------------|------------|------------|-------------|-------------|-------------|-------------|-------------|
| Composite | -3.38 | -3.38 | 3.68 | 13.58 | -2.84 | 2.94 | -2.44 | 11.81 |
| Index | 0.24 | 0.24 | 2.14 | 3.60 | 6.40 | 7.04 | 1.27 | 2.28 |

ANNUALIZED TOTAL RETURNS (USD, NET OF FEES, %)

| | <i>1 Year</i> | <i>3 Years</i> | <i>5 Years</i> | <i>10 Years</i> | <i>ITD</i> |
|-----------|---------------|----------------|----------------|-----------------|------------|
| Composite | 12.78 | 4.93 | 3.59 | 3.09 | 7.38 |
| Index | 2.55 | 4.46 | 4.16 | 2.87 | 2.51 |

FACTS

| | |
|---------------------|-------------|
| Strategy Inception | 31-Jul-01 |
| Composite Inception | 31-Jul-01 |
| Total Assets | \$2.9bn USD |
| Index | CPI Index |

RISK PROFILE (5-YEAR TRAILING)

| | |
|---|--------|
| Sharpe Ratio | 0.11 |
| Standard Deviation | 10.24 |
| Max Port. Drawdown (31-Dec-19 - 31-Mar-20) | -16.14 |

PORTFOLIO MANAGEMENT



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



John Thorndike
Joined GMO in 2015
AB, Bowdoin College

Risks: Risks associated with investing in the Strategy may include: (1) Management and Operational Risk: The risk that GMO's investment techniques will fail to produce desired results, including annualized returns and annualized volatility. (2) Market Risk - Equities: The market price of equities may decline due to factors affecting the issuer, its industries, or the economy and equity markets generally. Declines in stock market prices generally are likely to reduce the net asset value of the Fund's shares. (3) Non-U.S. Investment Risk: The market prices of many non-U.S. securities (particularly of companies tied economically to emerging countries) fluctuate more than those of U.S. securities. Many non-U.S. markets (particularly emerging markets) are less stable, smaller, less liquid, and less regulated than U.S. markets, and the cost of trading in those markets often is higher than it is in U.S. markets. For a more complete discussion of these risks and others, please consult the Fund's offering documents. This is not a complete list of risks associated with investing in the Strategy. Please contact GMO for more information. **Performance Returns:** 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 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.** Prior to January 1, 2012, the accounts in the Composite served as the principal component of a broader real return strategy. Beginning January 1, 2012, accounts in the composite have been managed as a standalone investment. The portfolio is not managed relative to a benchmark. References to an index are for informational purposes only.

BENCHMARK-FREE ALLOCATION

PORTFOLIO ALLOCATIONS (%)

| <i>Asset Class</i> | <i>Exposure</i> |
|-----------------------------------|-----------------|
| EQUITY | 51.3 |
| International Opportunistic Value | 9.1 |
| Japan Fundamental Value | 5.8 |
| Japan Small Value | 3.1 |
| Developed ex-US | 6.1 |
| US Opportunistic Value | 5.2 |
| Quality Cyclical | 3.2 |
| Resource Equity | 4.1 |
| Developed ex-US Small Cap Value | 5.0 |
| Emerging Markets | 9.9 |
| ALTERNATIVE STRATEGIES | 31.5 |
| Equity Dislocation | 20.4 |
| Event Driven | 4.1 |
| Systematic Global Macro | 7.0 |
| FIXED INCOME | 17.2 |
| ABS/Structured Products | 4.0 |
| US Treasury Notes | 11.0 |
| Emerging Debt | 2.1 |

EQUITY CHARACTERISTICS

| | <i>Portfolio</i> |
|------------------------------------|------------------|
| Price/Earnings - Hist 1 Yr Wtd Mdn | 12.9x |
| Price/Book - Hist 1 Yr Wtd Avg | 1.2x |
| Return on Equity - Hist 1 Yr Mdn | 12.4% |
| Dividend Yield - Hist 1 Yr Wtd Avg | 3.9% |
| Market Cap - Wtd Mdn Bil | 11.5 USD |

FIXED INCOME CHARACTERISTICS

| | <i>Portfolio</i> |
|--------------------|------------------|
| Effective Duration | 2.0 |

FIXED INCOME CREDIT RATINGS (%)

| | <i>%</i> |
|-----|----------|
| AAA | 16.6 |
| AA | 66.3 |
| A | 1.0 |
| BBB | 3.0 |
| BB | 3.5 |
| B | 2.7 |
| CCC | 2.7 |
| CC | 1.3 |
| C | 0.7 |
| D | 1.1 |
| NR | 1.1 |

EQUITY SECTORS (%)

| <i>Sector</i> | <i>Portfolio</i> |
|------------------------|------------------|
| Communication Services | 5.3 |
| Consumer Discretionary | 13.1 |
| Consumer Staples | 5.5 |
| Energy | 9.0 |
| Financials | 23.3 |
| Health Care | 8.3 |
| Industrials | 14.8 |
| Information Technology | 10.0 |
| Materials | 7.7 |
| Real Estate | 1.3 |
| Utilities | 1.8 |

EQUITY REGIONS (%)

| <i>Region</i> | <i>Portfolio</i> |
|--------------------------|------------------|
| Japan | 26.2 |
| Emerging | 21.8 |
| Europe ex UK (Developed) | 20.5 |
| United States | 15.8 |
| Other International | 9.1 |
| United Kingdom | 6.6 |

EQUITY TOP COUNTRIES (%)

| <i>Country</i> | <i>Portfolio</i> |
|----------------|------------------|
| Japan | 26.2 |
| United States | 15.8 |
| United Kingdom | 6.6 |
| Taiwan | 4.8 |
| Canada | 4.6 |
| France | 4.6 |
| China | 3.1 |
| Brazil | 2.7 |
| Spain | 2.6 |
| India | 2.4 |

BENCHMARK-FREE ALLOCATION

IMPORTANT INFORMATION

Index(es): The CPI (Consumer Price Index) for All Urban Consumers US All Items is published monthly by the U.S. government as an indicator of changes in price levels (or inflation) paid by urban consumers for a representative basket of goods and services. CPI Index returns are typically reported on the 15th of the month. The CPI data reported may not include the most recent month-end which could impact the data that GMO has provided.

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

GLOSSARY

Equity Characteristics: Based on equity holdings.

Country Exposures: Based on equity holdings. This portfolio continues to hold de minimis Russian exposure as a result of past positioning and ongoing illiquidity. GMO has suspended net new purchases of Russian securities firm-wide.

Credit Ratings: The credit ratings above may encompass emerging debt, developed rates, and asset-backed exposure. Ratings for core portfolio holdings are derived by using the middle rating from Standard & Poor's, Moody's, and Fitch. Ratings for core holdings were adjusted during the January 2021 reporting period to conform with index provider methodology. Ratings for the emerging debt portion of the portfolio are derived by applying the Standard and Poor's or Moody's issue-level ratings (sequentially), and the S&P LT Foreign currency (FC) country issuer rating for the FC debt securities and/or S&P LT Local currency (LC) country issuer rating for LC securities where a security is not rated by either of the abovementioned credit rating agencies. Final credit ratings are expressed based upon Standard and Poor's ratings scale. Standard & Poor's rates securities from AAA (highest quality) to C (lowest quality), and D to indicate securities in default; some securities are not rated (NR). BB and below are considered below investment grade securities. Please refer to our website for additional information: <https://www.gmo.com/americas/benchmark-disclaimers/>

Currency Exposures: Currency weights are based on equity and currency overlay holdings, as applicable. This portfolio continues to hold de minimis Russian exposure as a result of past positioning and ongoing illiquidity. GMO has suspended net new purchases of Russian securities firm-wide.

Portfolio Allocations: Weightings are as of the date indicated and are subject to change. The groups indicated above represent exposures determined pursuant to proprietary methodologies and are subject to change over time. Totals may vary due to rounding.

Region Exposures: Based on equity holdings.

Risk Statistics: Risk profile data is net of fees. Sharpe Ratio is the return over the risk free rate per unit of risk. Std Deviation is a measure of the volatility of a portfolio. Drawdown is based on the portfolio's worst performance over the period based on monthly observations.

Sector Exposures: The Global Industry Classification Standard (GICS) is the exclusive intellectual property of MSCI Inc. (MSCI) and Standard & Poor's, a division of The McGraw-Hill Companies, Inc. (S&P). Neither MSCI, S&P, nor any third party makes any representations or warranties, express or implied, with respect to GICS or the results to be obtained by the use thereof, and expressly disclaim all warranties, including of merchantability and fitness for a particular purpose. Neither MSCI, S&P, nor any third party shall have any liability for any damages of any kind relating to the use of GICS. Based on equity holdings.

Top Holdings: Portfolio holdings are percent of equity. Where applicable, the top holdings are derived by looking through to the underlying portfolios in which the asset allocation strategy invests and, where appropriate, individual security positions are aggregated. They are subject to change and should not be considered a recommendation to buy individual securities. This portfolio continues to hold de minimis Russian exposure as a result of past positioning and ongoing illiquidity. GMO has suspended net new purchases of Russian securities firm-wide.

ABOUT GMO

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

AMSTERDAM

BOSTON

LONDON

SAN FRANCISCO*

SINGAPORE

SYDNEY

TOKYO**

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

**Representative Office

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