

QUALITY INVESTMENT FUND

November 2024

GMO

FIRM OVERVIEW



■ Equities ■ Fixed Income ■ Alternatives ■ Multi-Asset Class



430

Employees



10

Investment teams with deep asset class experience



110

Investment professionals

Experienced, Focused, Independent

Privately owned and founded in 1977, managing client assets is our only business

Long-term, Valuation-based Investing

Investment teams use quantitative techniques and fundamental judgment

Differentiated Research that Drives Conversations

Well-known for our candid, academically-rigorous market insights and advice

Global in Presence and Perspective

Boston (HQ)
Amsterdam
London
San Francisco*

Singapore
Sydney
Tokyo**

As of 30/9/24 | Source: GMO | Assets: USD

AUM may not sum to Firm Total due to rounding. The AUM figures shown here represent all data available as of the reporting date. Please know that early AUM figures may change throughout the reporting period due to custodian reporting schedules. Final AUM figures are posted on GMO's website.

*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.

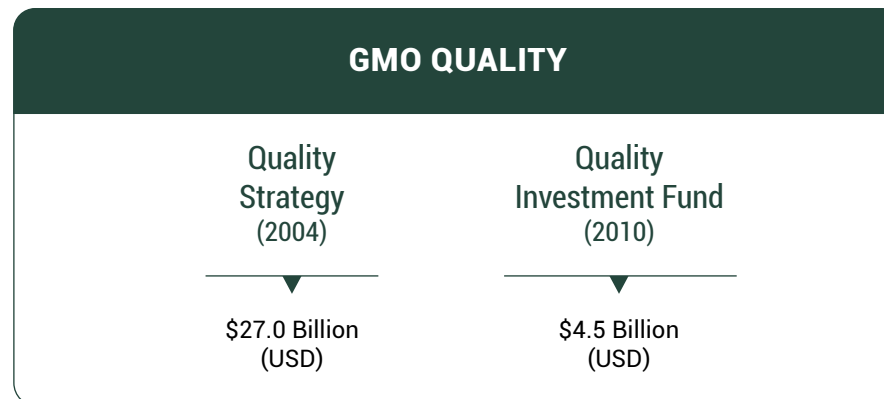
GMO QUALITY

What is GMO Quality

- Launched in 2004
- Long horizon, high conviction investing
- Benchmark agnostic with a global opportunity set
- Blend of fundamental and quantitative techniques

The People

- 16 investment professionals across Boston, London, and Singapore
- 5 partners
- Portfolio Management team with >20 years of experience working together



As of 30/9/24

WHY GMO QUALITY FOR YOUR PORTFOLIO?



GMO is a pioneer in
quality investing
with 40+ years
of experience



Valuation focus can
enhance return and
risk mitigation



A powerful blend of
quantitative
discipline and
fundamental
analysis

WHAT IS A QUALITY BUSINESS?



GENERATES HIGH AND SUSTAINABLE RETURN ON CAPITAL

Identifiable High Returning Assets

Return on capital

Relevance

Long-term durability of
business model

Capital Discipline

Management invests prudently
and with a long horizon

GMO QUALITY: SAFETY AND THE ABILITY TO ADD VALUE

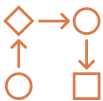


GMO's quantitative quality metric was first developed in the 1980s

- High profitability
- Stable profitability
- Strong balance sheet



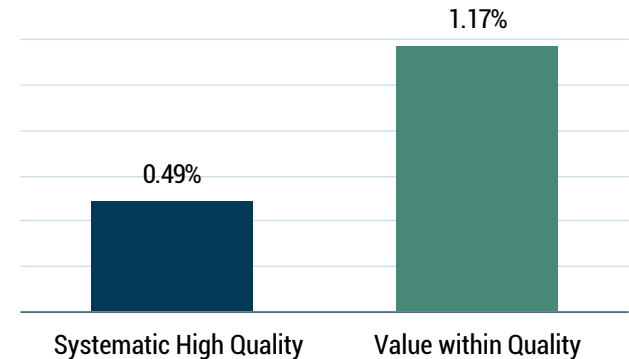
High quality stocks have won over time with lower risk



Valuation can enhance return **and** risk mitigation

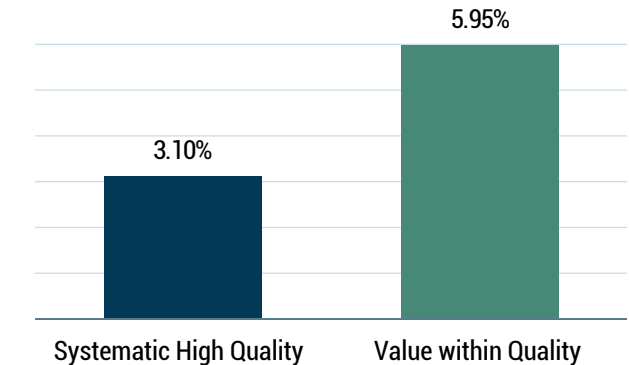
All Periods

Relative Return (Annualized)



Bear Markets

Relative Return (Annualized)



April 1928 – December 2023 | Source: GMO

Bear market is the drop in prices of at least 20% from any peak over a period of at least 3 months. GMO Quality is the highest quality 1/3 of the U.S. market. Value within Quality is the low valuation half of that, relative to the broader U.S. market.

INVESTMENT PROCESS

Fundamental stock selection, quantitative framework



GMO's quantitative screen identifies the companies with the most compelling Quality characteristics based on measures of Profitability, Stability of Profitability, and Financial Strength.

INVESTMENT PROCESS

Fundamental stock selection, quantitative framework

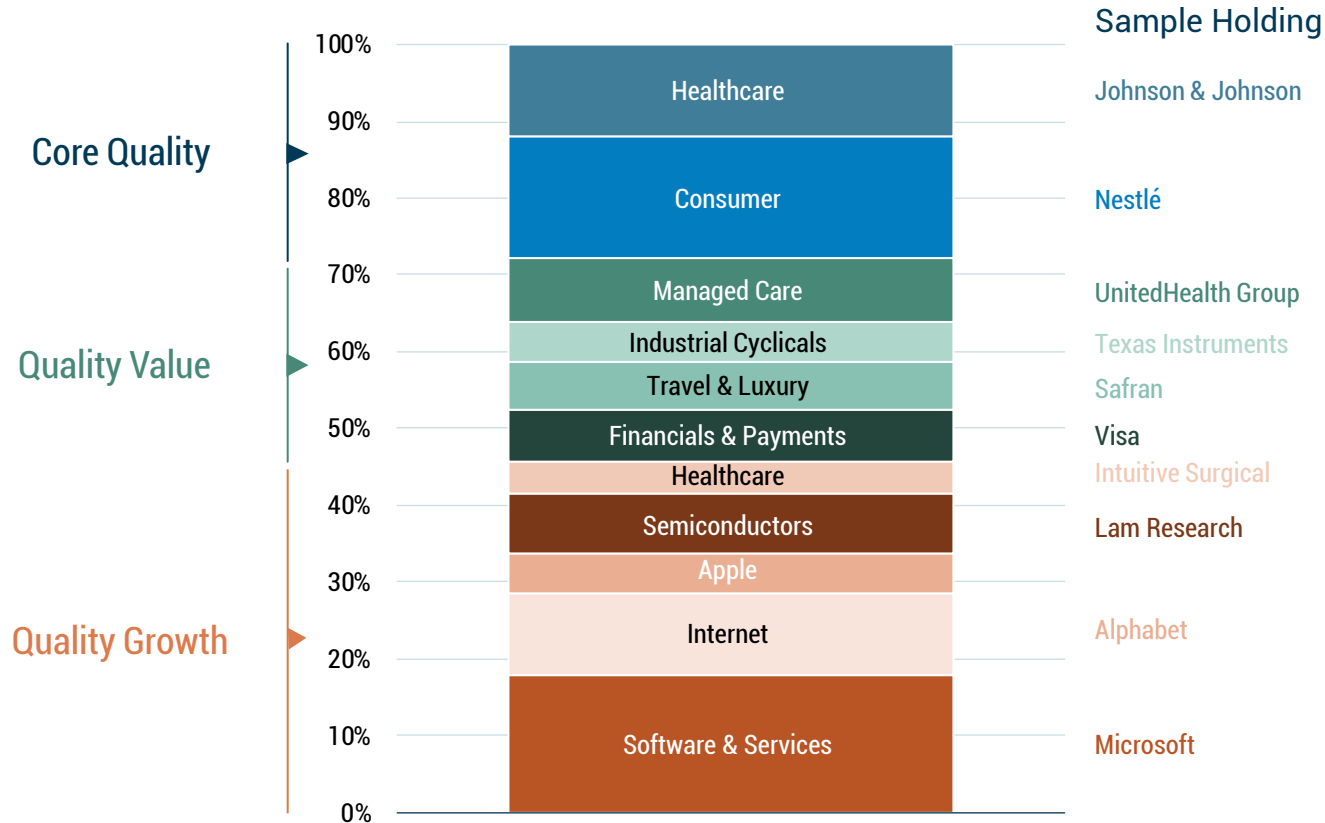
	3M	HERMES PARIS	pepsi	Coca-Cola	VISA	Microsoft	tsmc	amazon
Quantitative Screening	✓	✓	✓	✓	✓	✓	✓	○
Fundamental Quality Vetting	⊖	✓	✓	✓	✓	✓	✓	✓
Valuation		⊖	✓	✓	✓	✓	✓	✓
Portfolio Management Review			⊖	✓	✓	✓	✓	✓

 **Final Portfolio**

GMO's quantitative screen identifies the companies with the most compelling Quality characteristics based on measures of Profitability, Stability of Profitability, and Financial Strength. References to specific issuers are not intended and should not be interpreted as a recommendation to purchase, sell or hold securities of those issuers.

KEY EXPOSURES IN THE PORTFOLIO

Quality investing is a third way beyond growth and value

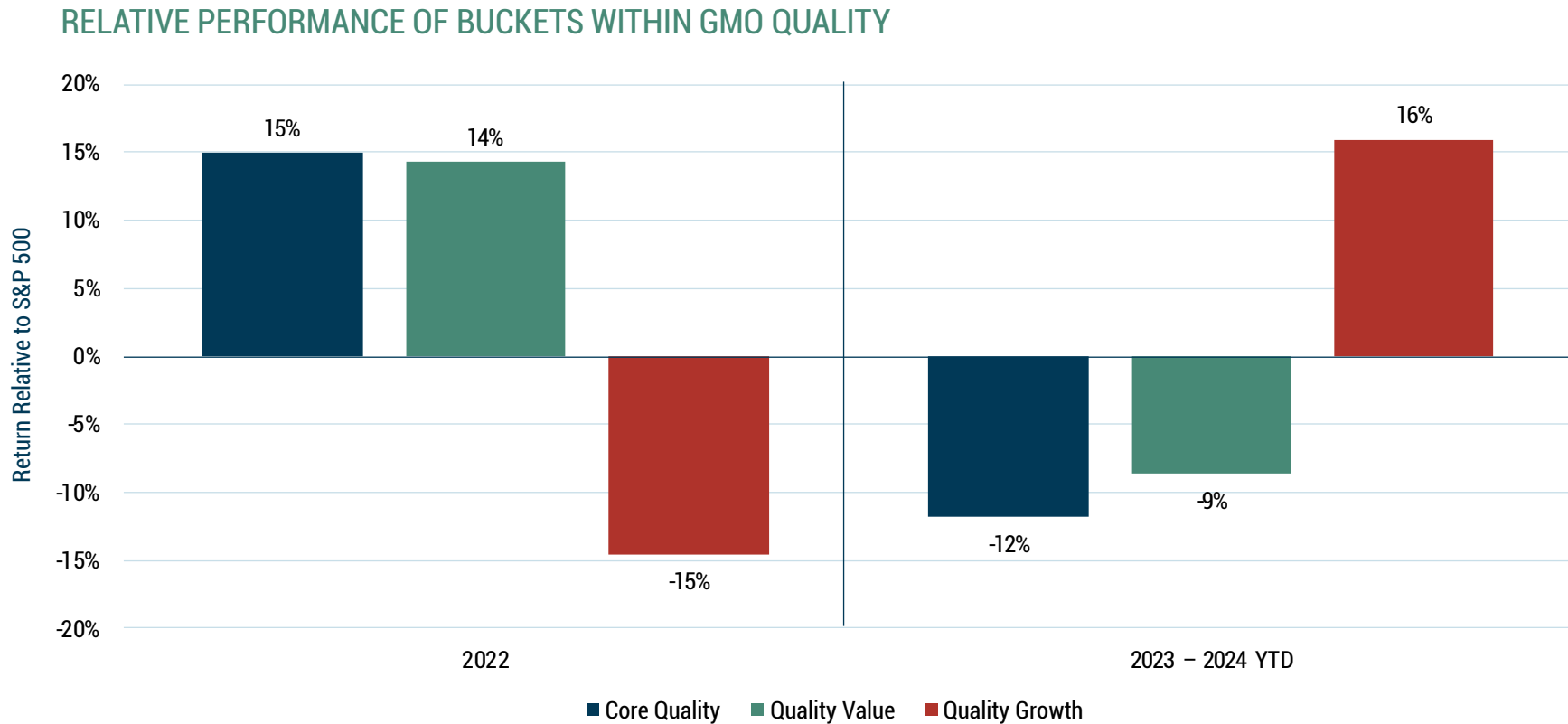


As of 30/9/24

The sectors are GMO groupings. 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.

DIVERSIFICATION HAS PAID OFF

GMO Quality was able to outperform in two very different environments

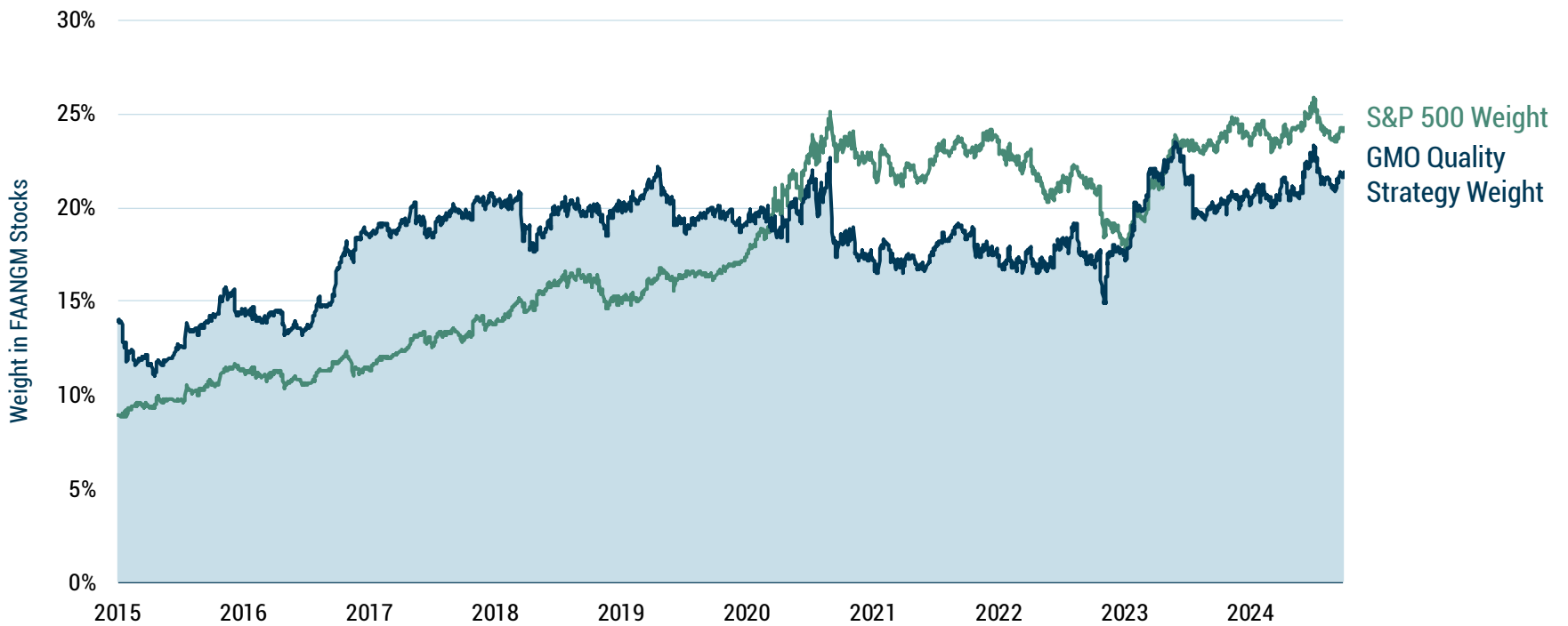


As of 30/11/24

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GMO EXPOSURE TO “FAANGM” STOCKS

GMO Quality Strategy maintains diversification



As of 30/9/24

The “FAANGM” stocks are Facebook, Apple, Amazon, Netflix, Alphabet, and Microsoft.

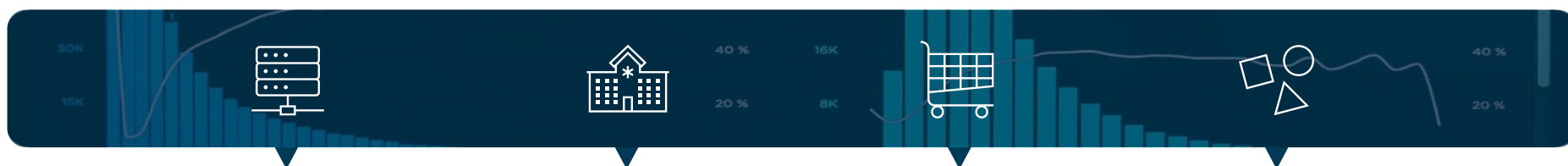
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THE PORTFOLIO

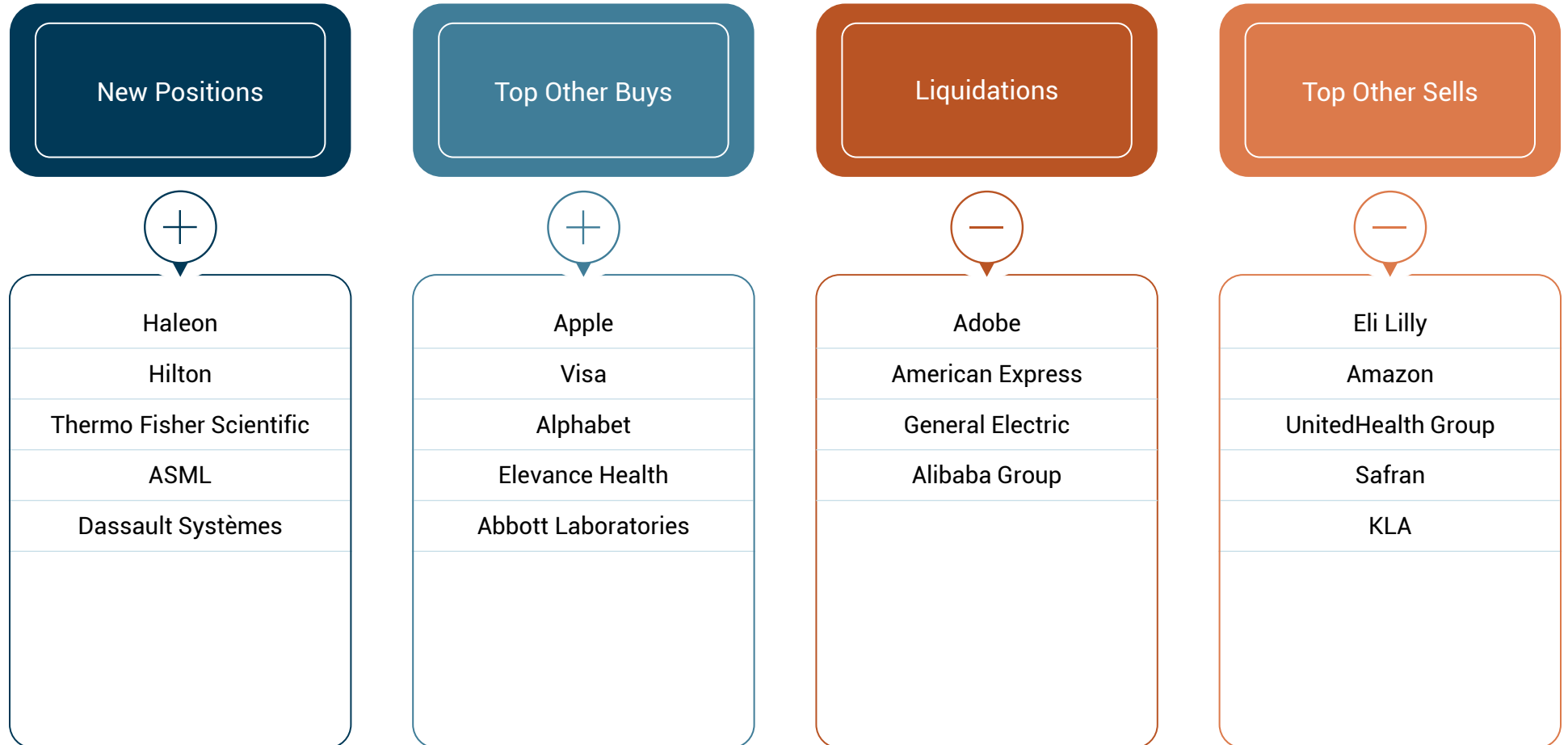
Quality Strategy by sector and vintage



	Technology	Health Care	Consumer	Other
10+ Years	Microsoft Apple Alphabet Oracle Accenture	UnitedHealth Group Johnson & Johnson Abbott Laboratories	Coca-Cola Unilever TJX Nestlé	Compass Group
5–10 Years	Meta Platforms Texas Instruments Taiwan Semiconductor SAP	Elevance Health Merck Eli Lilly Roche		Visa US Bancorp Wells Fargo Knorr-Bremse
2–5 Years	Lam Research Salesforce KLA	Intuitive Surgical Cigna Quest Diagnostics	Amazon Constellation Brands LVMH	Safran Otis Amadeus IT Group
0–2 Years	ASML Dassault Systèmes	Thermo Fisher	Haleon Hilton Diageo	

As of 30/9/24

SIGNIFICANT BUYS AND SELLS LAST 12 MONTHS



As of 30/9/24





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DON'T FOCUS ON DOMICILE

We Invest In
the Business
Not the
Headquarters



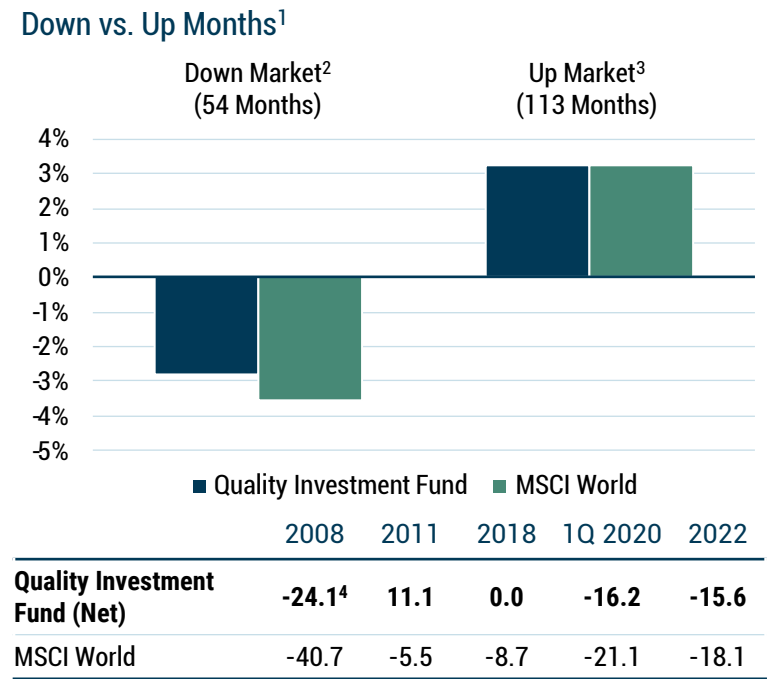
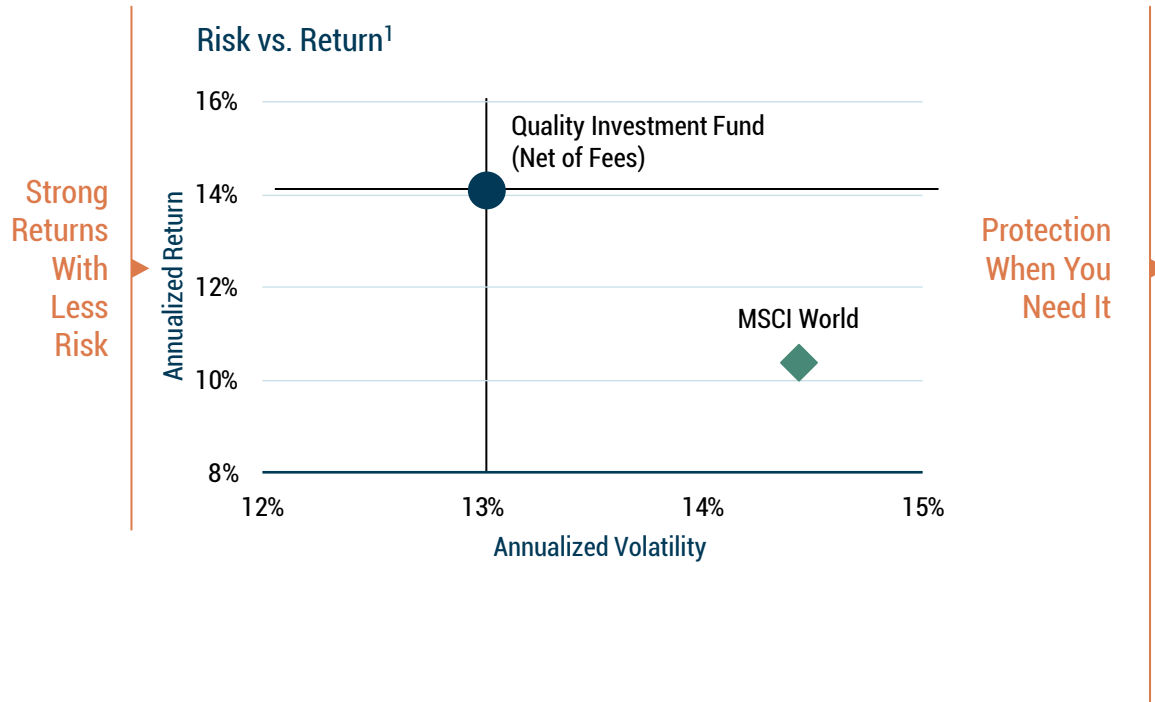
Diversified
Revenues
Independent of
Domicile
31/12/23

Company	Country of Domicile	U.S. Revenues	Rest of World Revenues
 Coca-Cola	USA	36%	64%
 Nestlé	Switzerland	32%	68%
 TEXAS INSTRUMENTS	USA	33%	67%
 tsmc	Taiwan	65%	35%

As of 30/9/24 | Source: GMO

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. The securities identified above represent a selection of securities identified by GMO and are for informational purposes only. These specific securities were selected for presentation by GMO based on their underlying characteristics; specifically companies that either meet or fail to meet the criteria of Quantitative High Quality, Fundamental High Quality and Valuation and were not selected on the basis of their investment performance. These securities are not necessarily representative of the securities purchased, sold, or recommended for advisory clients, and it should not be assumed that the investment in the securities identified will be profitable. MSCI data may not be reproduced or used for any other purpose. MSCI provides no warranties, has not prepared or approved this report, and has no liability hereunder. Please visit <https://www.gmo.com/americas/benchmark-disclaimers/> to review the complete benchmark disclaimer notice.

A TRACK RECORD OF STRONG RISK-ADJUSTED RETURN



As of 30/11/24 | Source: GMO

¹ Inception Date: 10/11/10

² Average return for all down months

³ Average return for all up months

⁴ 2008 data is that of the Quality Fund

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, transaction costs, commissions and withholding taxes on foreign income and capital gains and include the reinvestment of dividends and other income, as applicable. Actual fees paid by accounts within the composite may be higher or lower than the model advisory fee used. MSCI data may not be reproduced or used for any other purpose. MSCI provides no warranties, has not prepared or approved this report, and has no liability hereunder. Please visit <https://www.gmo.com/americas/benchmark-disclaimers/> to review the complete benchmark disclaimer notice.

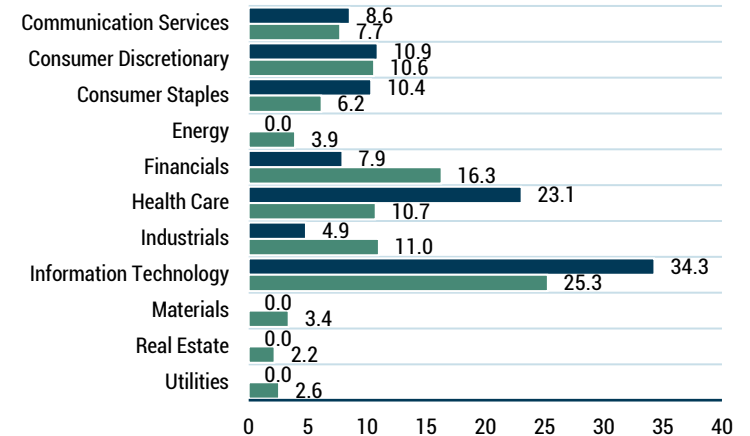
GMO QUALITY INVESTMENT FUND

Portfolio characteristics

Characteristics

	Portfolio	MSCI World
Price/Earnings - Forecast 1 Yr Wtd Mdn	23.2x	23.2x
Return on Equity - Forecast 1 Yr Wtd Mdn	26.8%	21.4%
Market Cap - Wtd Mdn Bil	257.6 USD	141.8 USD
Net Debt/EBITDA - Hist 1 Yr Wtd Mdn	0.3x	0.5x
Dividend Yield - Hist 1 Yr Wtd Avg	1.4%	1.7%
Free Cash Flow Yield - Hist 1 Yr Wtd Avg	3.2%	3.4%
Number of Equity Holdings	43	1373

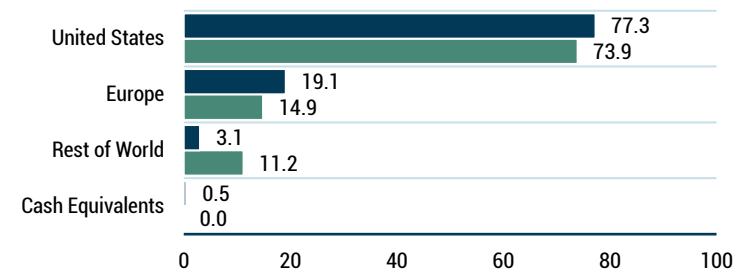
Sector Weights (%)



Top Holdings

Company	Sector	% of Equity
Microsoft Corp	Information Technology	6.0
Apple Inc	Information Technology	5.2
Meta Platforms Inc	Communication Services	4.3
Alphabet Inc	Communication Services	4.2
Oracle Corp	Information Technology	3.9

Region Weights (%)

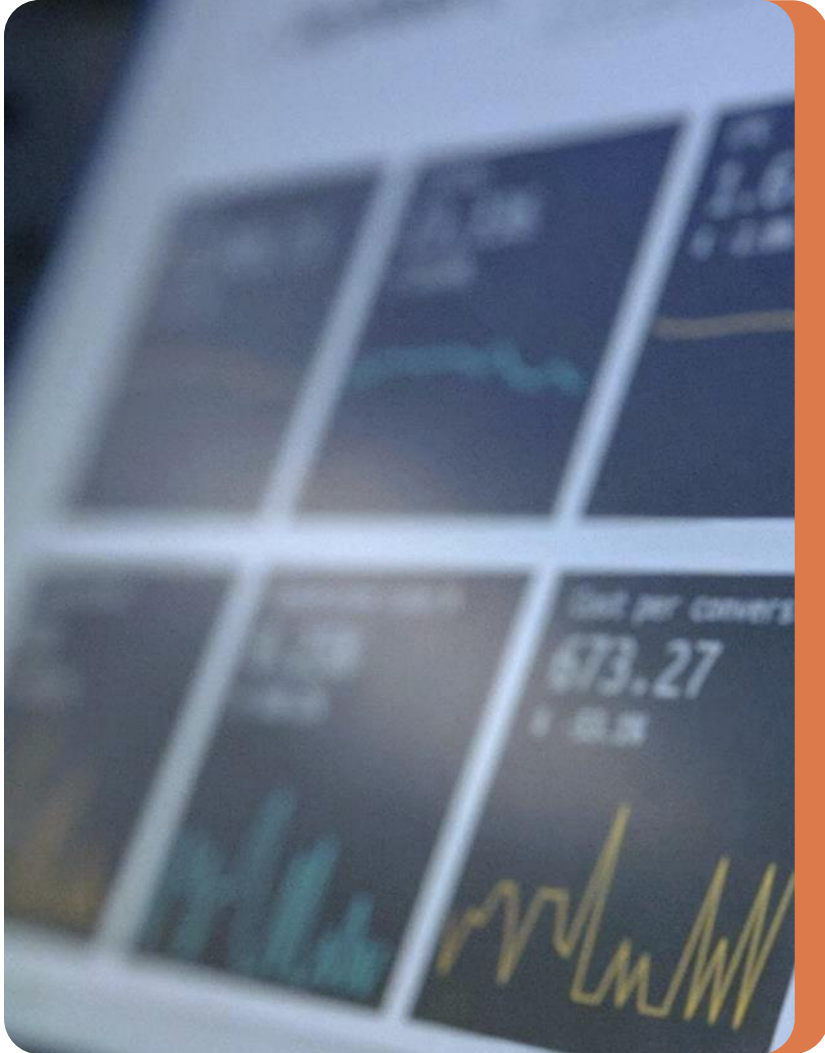


■ Quality Strategy ■ MSCI World Index

As of 30/11/24 | Source: GICS Sector Report

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GMO QUALITY INVESTMENT FUND



Top holdings

Company	Sector	% of Equity
Microsoft Corp	Information Technology	6.0
Apple Inc	Information Technology	5.2
Meta Platforms Inc	Communication Services	4.3
Alphabet Inc	Communication Services	4.2
Oracle Corp	Information Technology	3.9
UnitedHealth Group Inc	Health Care	3.7
Visa Inc	Financials	3.3
Johnson & Johnson	Health Care	3.3
Abbott Laboratories	Health Care	3.2
Taiwan Semiconductor Manufacturing Co Ltd	Information Technology	3.1
Total		40.2%

As of 30/11/24 | Source: GMO

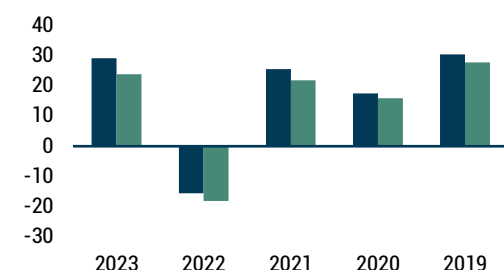
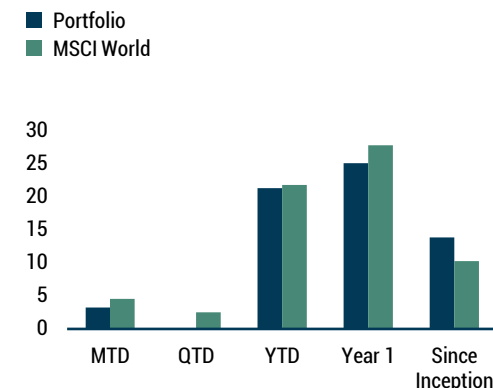
Portfolio holdings are percent of equity. Where applicable, the top holdings are derived by looking through to the underlying portfolios in which the asset allocation strategy invests and, where appropriate, individual security positions are aggregated. They are subject to change and should not be considered a recommendation to buy individual securities.

QUALITY INVESTMENT FUND

Fund performance (%) (net of fees USD)*

ANNUALIZED RETURNS (MONTH-END)	MTD	QTD	YTD	1-Year	3-Year	5-Year	10-Year	Since Inception
Quality Investment Fund (net)	3.26	0.16	21.33	25.15	11.95	14.96	13.50	13.87
MSCI World	4.59	2.51	21.85	27.83	8.78	12.41	10.06	10.27
Value Add vs. MSCI World	-1.33	-2.35	-0.51	-2.68	+3.17	+2.55	+3.44	+3.60

ANNUAL RETURNS (PRIOR 10 YEARS)	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Quality Investment Fund (net)	29.04	-15.56	25.53	17.49	30.40	0.00	28.02	9.05	1.01	11.98
MSCI World	23.79	-18.14	21.82	15.90	27.67	-8.71	22.40	7.51	-0.87	4.94
Value Add vs. MSCI World	+5.26	+2.58	+3.72	+1.59	+2.73	+8.71	+5.62	+1.54	+1.88	+7.05



*As of 30/11/24 | Inception Date: 10/11/10

Performance for the year of inception is less than a full calendar year. Returns shown for periods greater than one year are on an annualized basis.

Performance data quoted represents past performance and is not indicative of future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance data may be lower or higher than the performance data provided herein. To obtain performance information to the most recent month-end, visit www.gmo.com. Net of all fees and expenses after reimbursement by the Manager, but not transaction costs, if any. If certain expenses were not reimbursed, performance would be lower. The portfolio is not managed relative to a benchmark. References to an index are for informational purposes only. The MSCI World Index (MSCI Standard Index Series, net of withholding tax) is an independently maintained and widely published index comprised of global developed markets. MSCI data may not be reproduced or used for any other purpose. MSCI provides no warranties, has not prepared or approved this report, and has no liability hereunder.

SUPPLEMENTARY MATERIALS

GROWTH AND VALUE IN THE PORTFOLIO

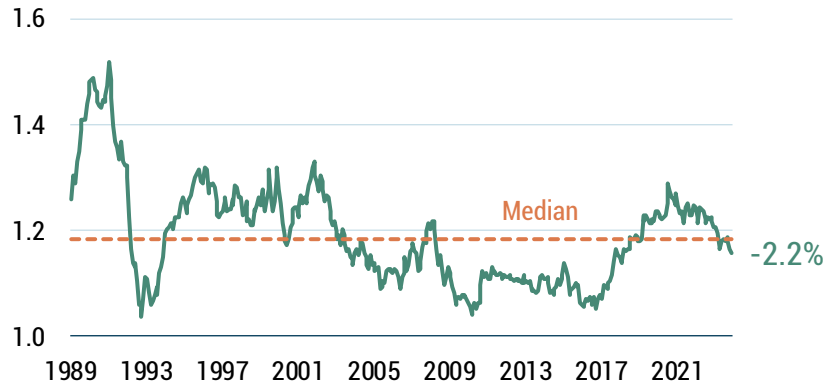
Rolling correlations over time



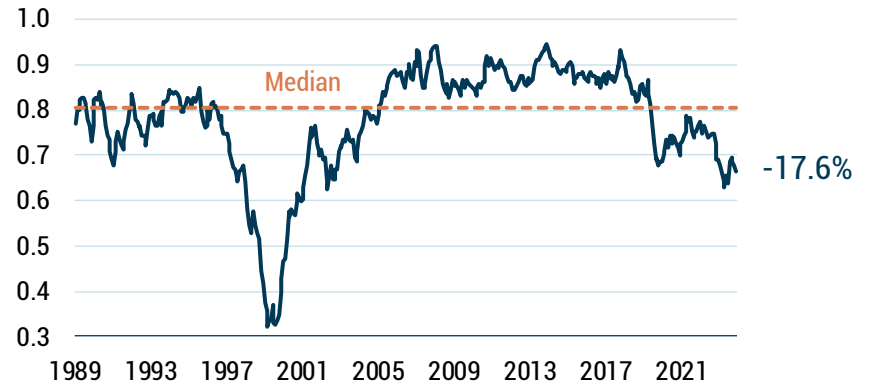
As of 30/9/24

QUALITY GROUP VALUATIONS VS. U.S. MARKET

U.S. QUALITY



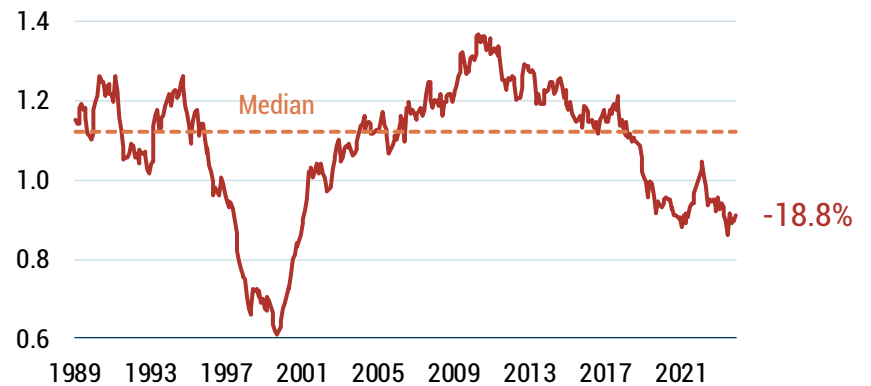
U.S. VALUE QUALITY



EX-U.S. QUALITY



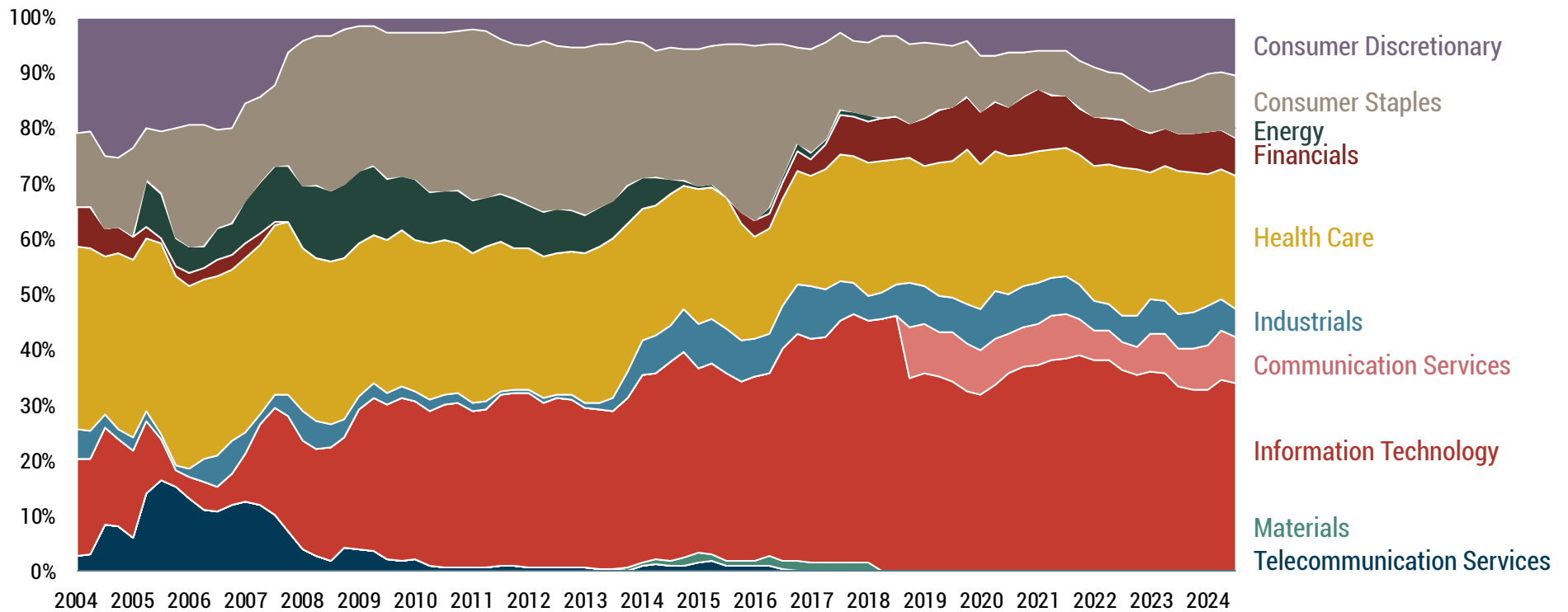
U.S. SMALL QUALITY



As of 30/11/24 | Source: GMO
Valuations on GMO Price-to-Normalized Earnings.

EVOLUTION OF QUALITY PORTFOLIO POSITIONING

Quality Strategy sector weights



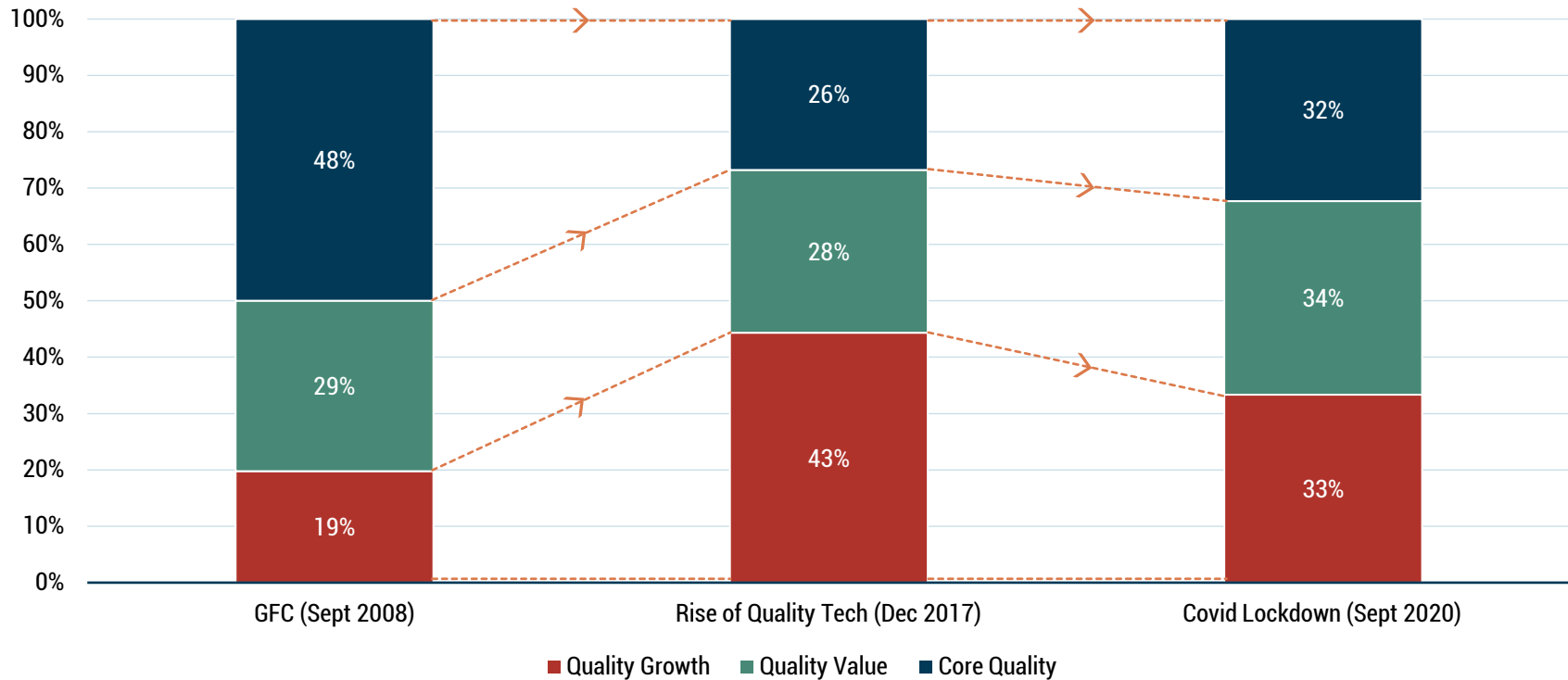
As of 30/9/24

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A (RE)BALANCED APPROACH TO DIVERSIFICATION

Maintaining diversification while pursuing opportunity

QUALITY STRATEGY

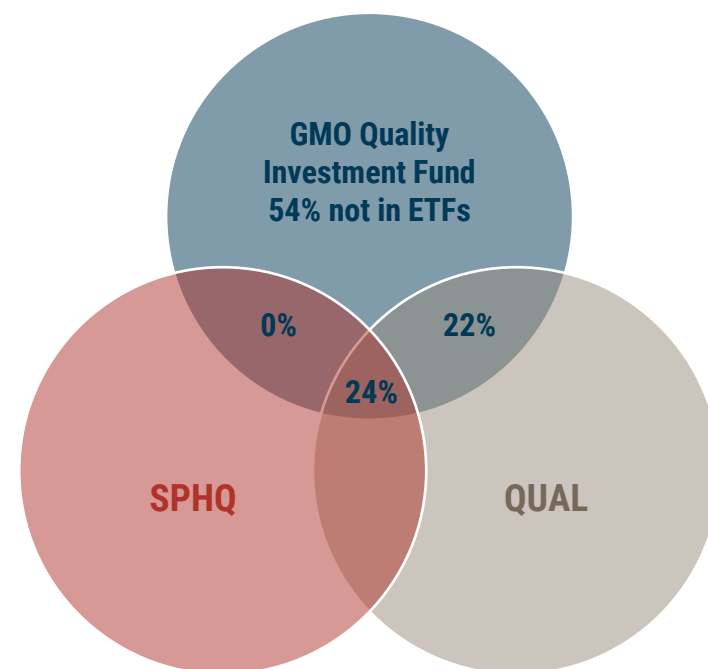


GMO QUALITY INVESTMENT FUND VS. SMART BETA ETFs

GMO QUALITY:

- Fundamental Analysis: focus on true high quality
- Valuation: avoid over-hyped stocks
- Experience: a real track record in down markets

	2008	2011	2018	1Q 2020	2022
GMO Quality Investment Fund (10/11/10)	-24.1%*	11.1%	0.0%	-16.6%	-15.6%
MSCI U.S. Quality Factor ETF (QUAL) (16/7/13)	N/A	N/A	-5.7%	-19.3%	-20.5%
Invesco S&P 500 Quality ETF (SPHQ) (6/12/05)	-46.4%	6.3%	-7.1%	-17.6%	-15.8%
<i>S&P 500 (SPX) (4/3/57)</i>	<i>-36.9%</i>	<i>2.1%</i>	<i>-4.3%</i>	<i>-19.6%</i>	<i>-18.1%</i>



As of 30/9/24 | Source: GMO

* 2008 data is that of the Quality Fund.

The two ETFs were selected for comparison by GMO based on their size and significance. There are material differences between the ETFs selected and the GMO Quality Strategy that an investor should consider when assessing the comparison.

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