



VALUATION VS. VALUE: BIG BETS IN AN EXPENSIVE MARKET

CFA Society Dayton



Rick Friedman

Mr. Friedman is a member of GMO's Asset Allocation team and a partner of the firm. Prior to joining GMO in 2013, he was a senior vice president at AllianceBernstein. Previously, he was a partner at Arrowpath Venture Capital and a principal at Technology Crossover Ventures. Mr. Friedman earned a bachelor's in Economics from the University of Pennsylvania and an MBA from Harvard Business School.

GMO ASSET ALLOCATION PHILOSOPHY

Long-horizon, valuation-sensitive investment approach

Focus on the long-term, let valuation be the guide

- Deep knowledge of valuation and the underlying drivers of return

Allocate dynamically

- Own an asset if and only if we are getting paid for taking the risk
- Focus on margin of safety and avoiding large drawdowns

Think independently

- Our private ownership structure allows us to ignore the herd and focus on clients' best interests
- If you don't look different and simply track a benchmark you, by definition, can't outperform.

Partner closely with clients

- Structure and process allows faster moves than most individual investors or investment committees
- Trusted advisor means sharing candid perspectives and providing advice

GMO ASSET ALLOCATION “BIG BETS”

1 International Stocks

- Attractively priced with potential currency tailwind
- **International deep value** is an extraordinary opportunity today

2 Deep Value

- Capitalize on a true market dislocation
- Invest in diversified **U.S. and international deep value portfolios**
- Market neutral idea: **Long deep value, short expensive growth**

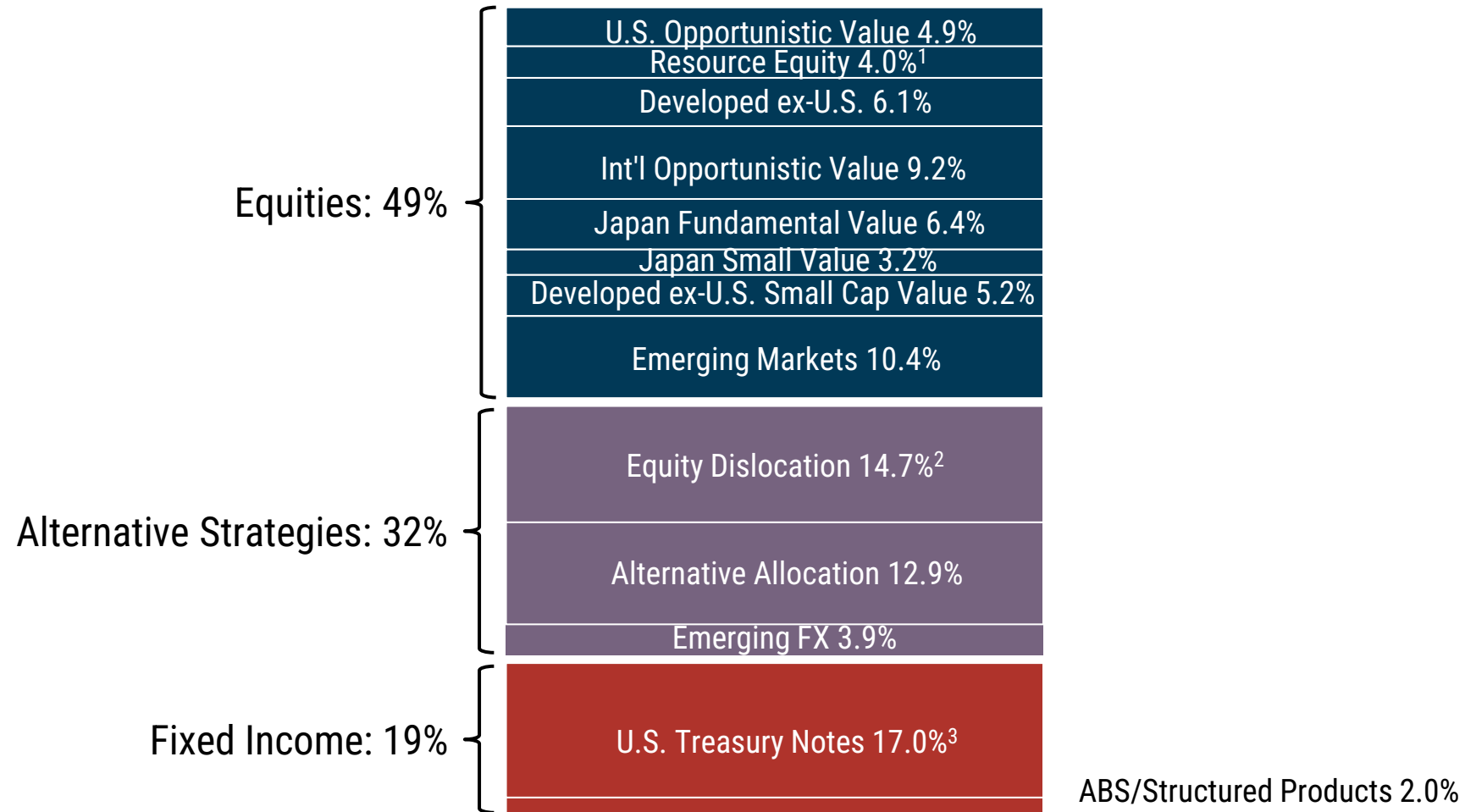
3 Japan Overweight

- Japan’s exit from deflation improves the macro backdrop
- Corporate reforms crossed a tipping point
- The market offers attractive valuations and strong balance sheets which can be tapped via a **fundamental, engagement-oriented strategy**

4 Liquid Alternatives

- Offer diversification and facilitate re-deployment of capital
- Allocate to a **diversified liquid alternatives portfolio**

BENCHMARK-FREE ALLOCATION STRATEGY



As of 2/28/26 | Source: GMO

¹Includes GMO's Resources and Climate Change strategies.

²Total allocation to Equity Dislocation is 19.1% inclusive of exposure within Alternative Allocation.

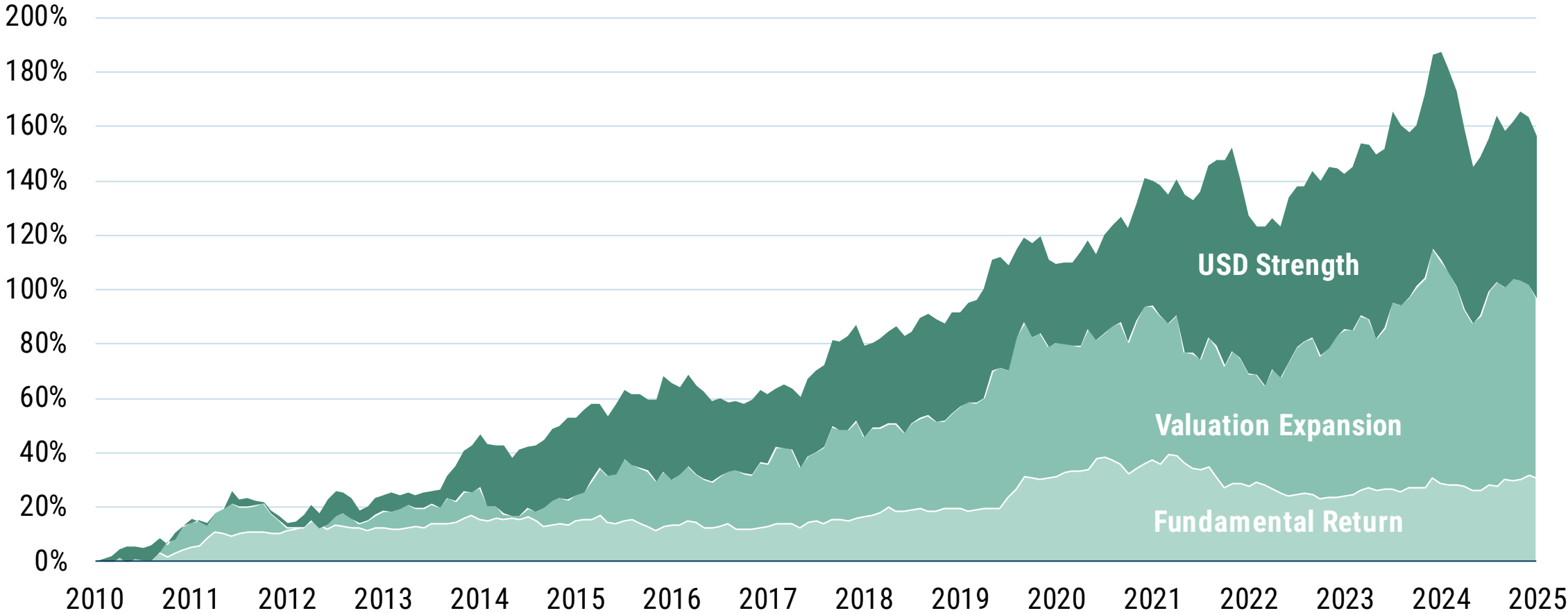
³The headline exposure to U.S. Treasury Notes should not be considered in isolation of the portfolio's overall duration profile inclusive of collateral and other exposures.

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. 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.

PREFERENCE FOR INTERNATIONAL EQUITIES

S&P 500 VS. MSCI WORLD EX-USA



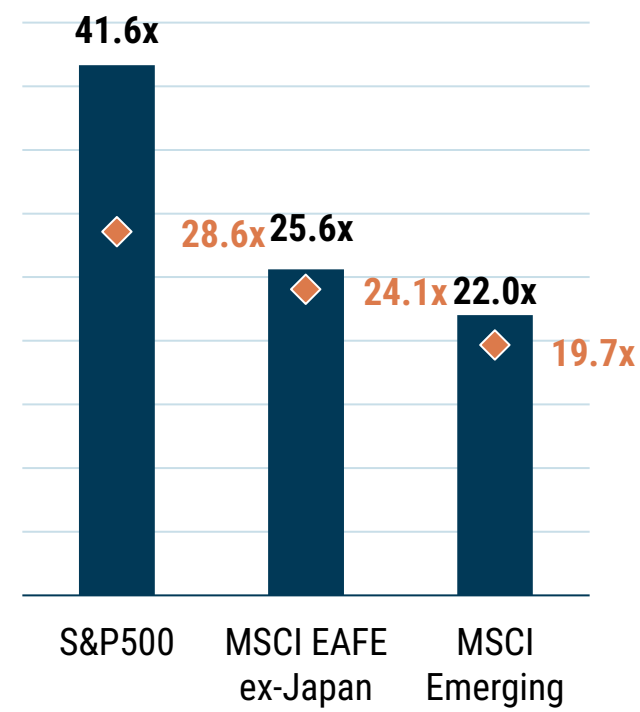
As of 12/31/25 | Source: Compustat, Worldscope, S&P Global, MSCI, Bloomberg, GMO

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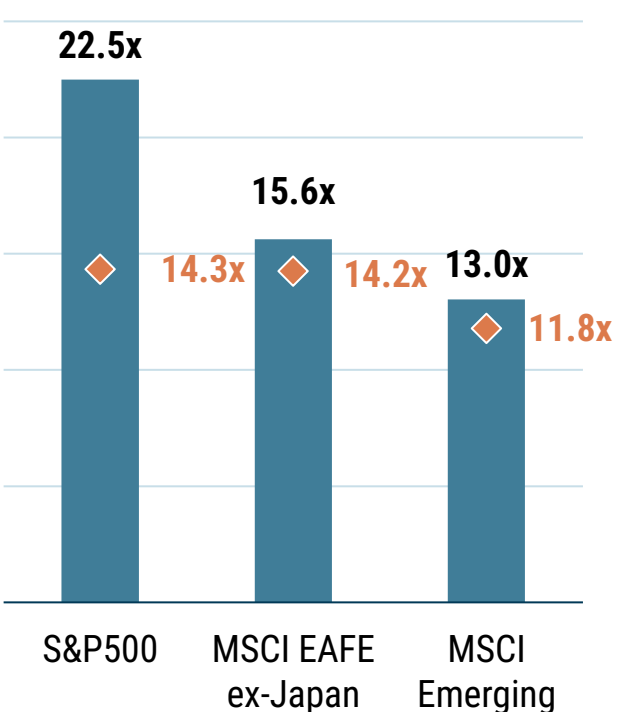
NON-U.S. EQUITY VALUATIONS ARE MORE ATTRACTIVE

U.S. equities are meaningfully more expensive than the rest of the world

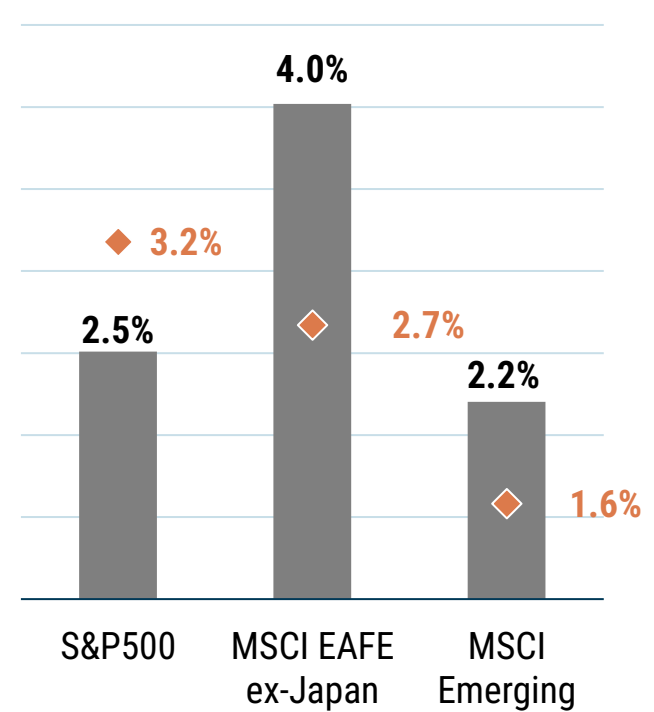
CAPE RATIO



PRICE/FORWARD EARNINGS



SHAREHOLDER YIELD

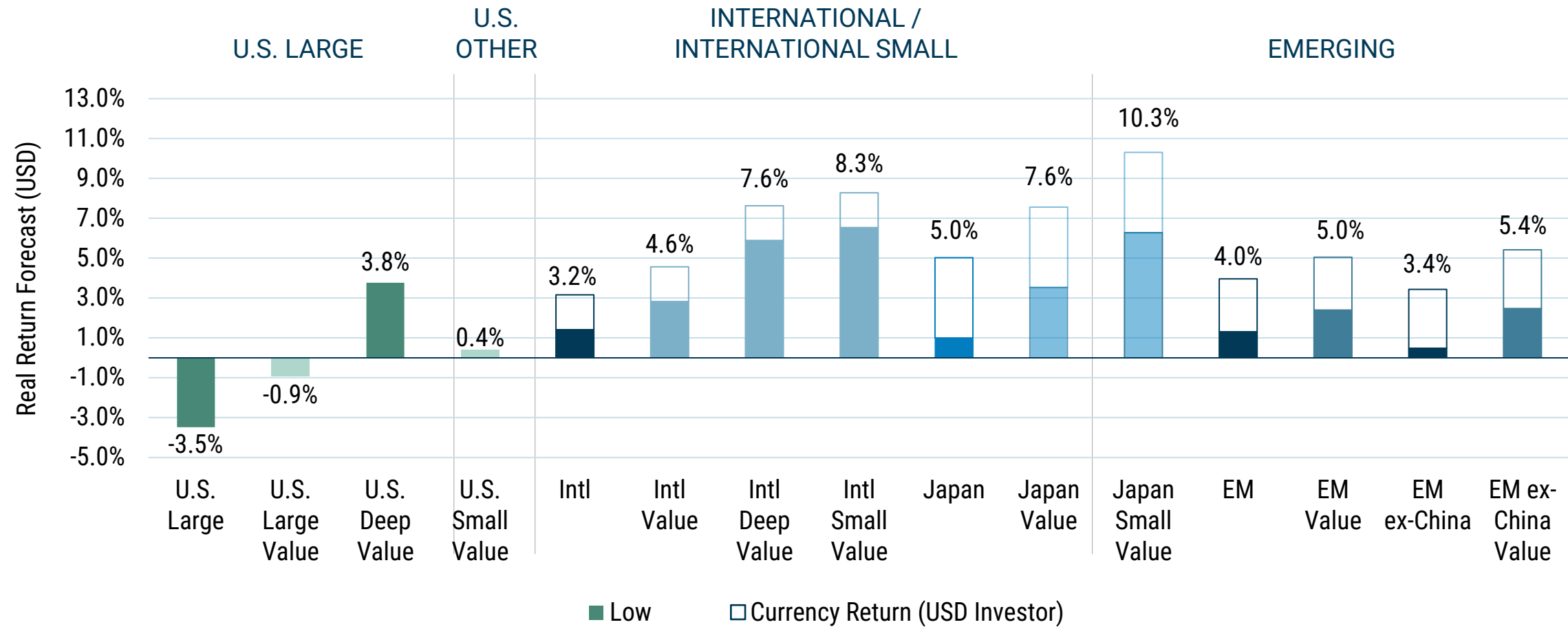


◆ Long-term Average

As of 12/31/25 | Source: GMO

7-YEAR GLOBAL REAL RETURN EQUITY FORECASTS* (USD)

January 31, 2026 – Low Scenario



Source: GMO
 *The chart represents real return forecasts for several asset classes and not for any GMO fund or strategy. These forecasts are forward-looking statements based upon the reasonable beliefs of GMO and are not a guarantee of future performance. Forward-looking statements speak only as of the date they are made, and GMO assumes no duty to and does not undertake to update forward-looking statements. Forward-looking statements are subject to numerous assumptions, risks, and uncertainties, which change over time. Actual results may differ materially from those anticipated in forward-looking statements.

DEEP VALUE

VALUE IS EXTREMELY CHEAP



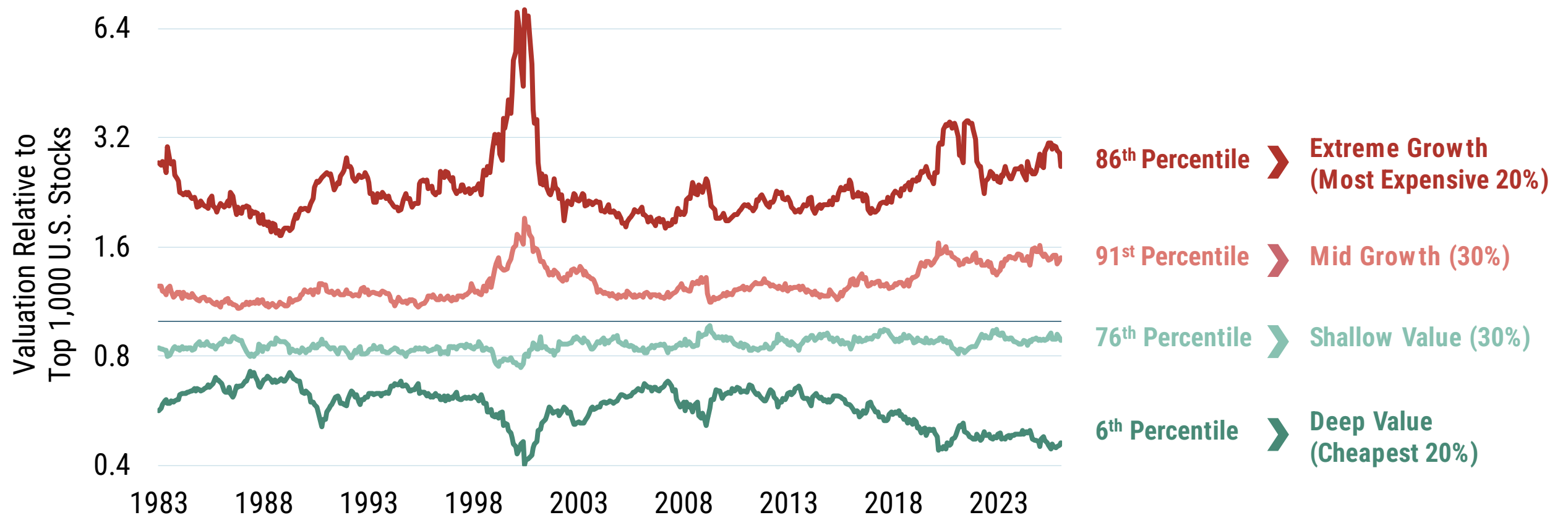
As of 1/31/26 | Source: GMO

Stock valuations are calculated on a blend of Price/Sales, Price/Gross Profit, and Price/Economic Book.

WITHIN THE U.S., “DEEP VALUE” SEGMENT (CHEAPEST 20%) IS TRULY DISLOCATED

Deep value remains attractive, in line with 4th percentile at the end of Q4 and 3rd percentile a year ago

VALUATION GROUPS IN TOP 1,000 U.S. STOCKS



As of 1/31/26 | Source: GMO

Stock valuations are calculated on a blend of Price/Sales, Price/Gross Profit, and Price/Economic Book. Groups of value and market are weighted by square root of market cap.

GMO ASSET ALLOCATION VIEW ON JAPAN

GMO AA'S UPDATED VIEW ON JAPANESE MARKET

1990–2000s Narrative

- No growth
- Low profitability
- Poor shareholder distributions
- Deflationary economy
- Management disregards shareholders
- Value traps

Current Reality

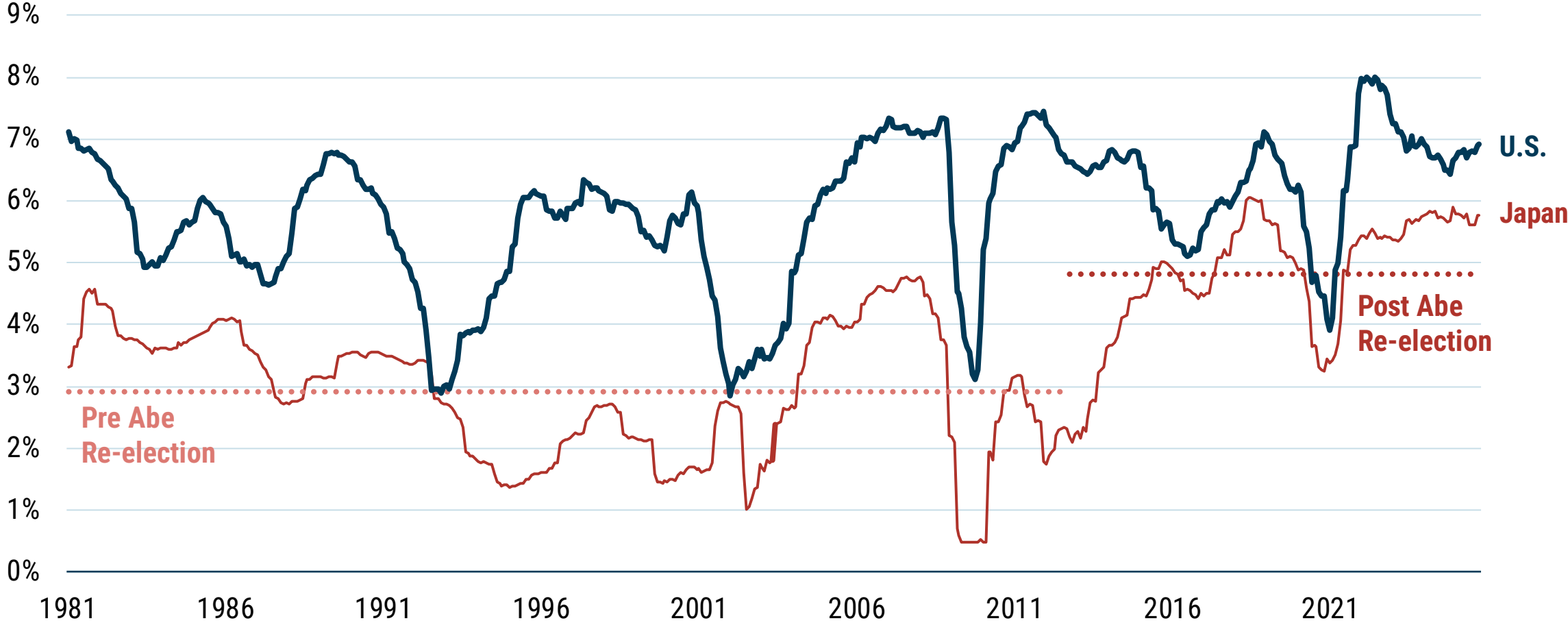
- Growing EPS
- Growing distributions
- Strong total returns
- Economy is exiting deflation
- Shift to investor-centric governance
- Attractive valuations



Opportunity to unlock value and create alpha

SECULAR IMPROVEMENT OF RETURN ON CAPITAL

RETURN ON CAPITAL

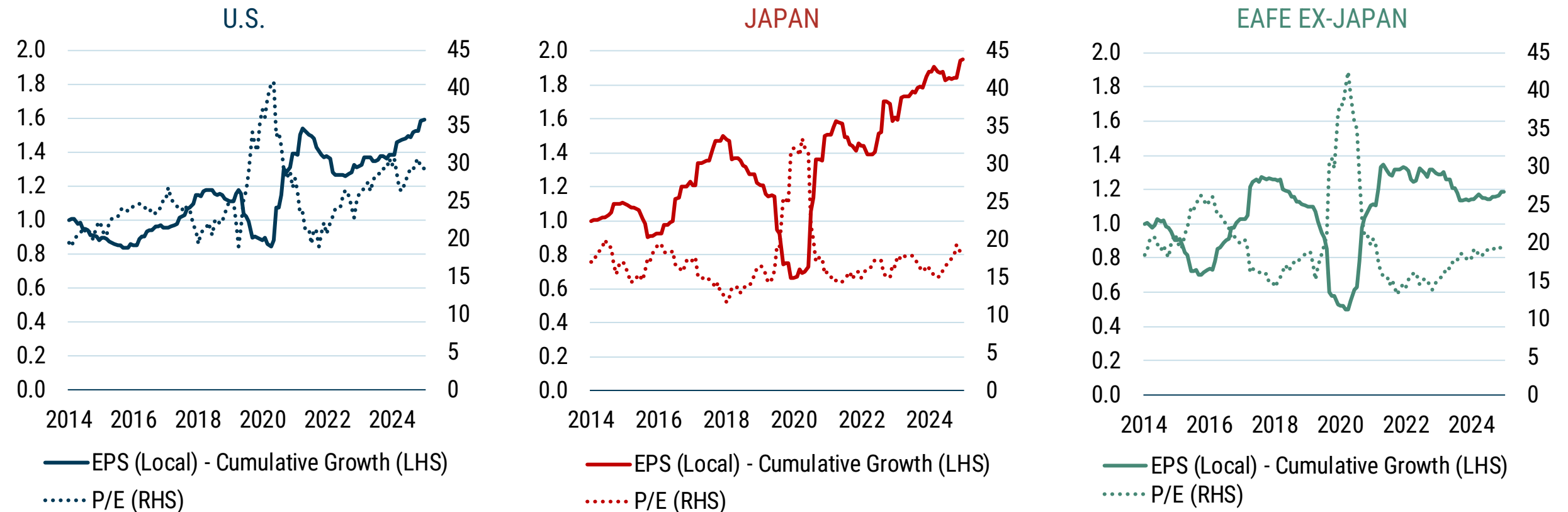


As of 12/31/25 | Source: GMO
Return on Capital is after-inflation. Japan universe excludes Financials, Resources, Trading companies and Softbank.

LOCAL EPS GROWTH ACROSS REGIONS MAY SURPRISE YOU

Earnings growth has been higher in Japan while valuations are meaningfully lower

EPS GROWTH (TRAILING 10 YEARS) VS. P/E RATIOS BY REGION



As of 12/31/25 | Source: GMO, Worldscope, Compustat, MSCI Indexes

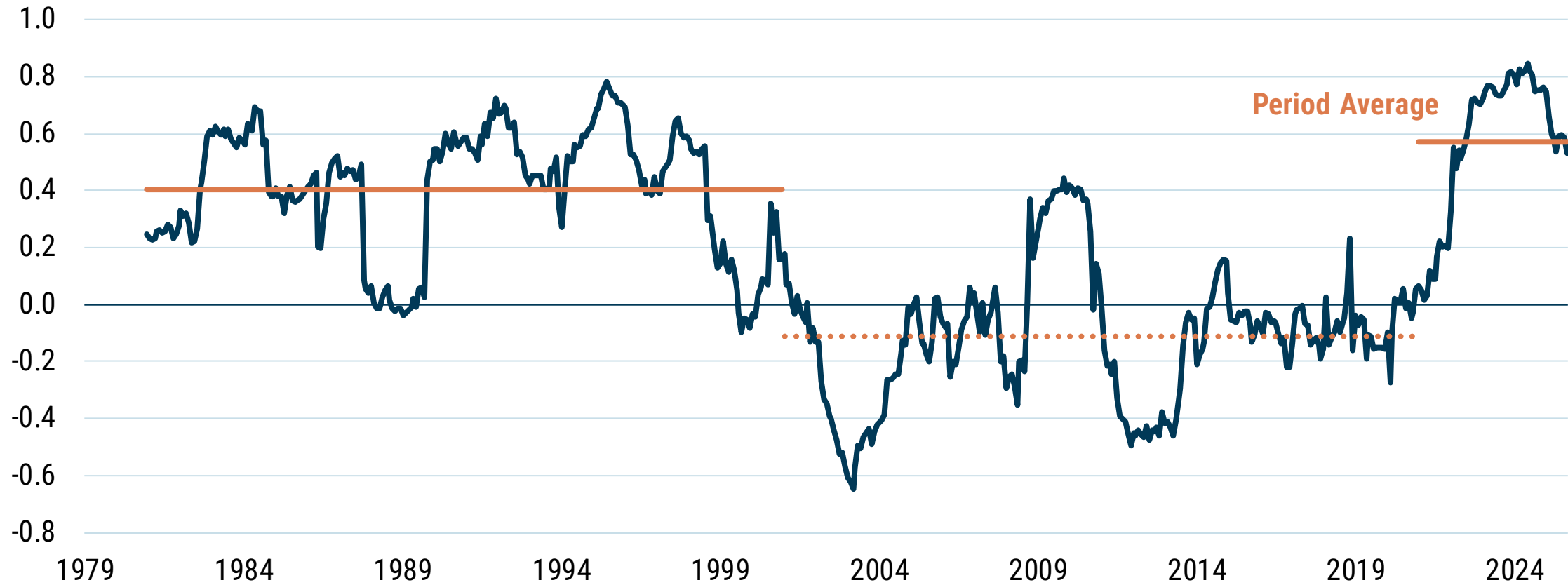
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LIQUID ALTERNATIVES

LIMITED DIVERSIFICATION

Two decades of negative stock / bond correlation quickly turned positive

S&P500-BLOOMBERG U.S. AGGREGATE ROLLING 2-YEAR CORRELATION



As of 9/30/25 | Source: GMO

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CHARACTERISTICS OF LIQUID ALTERNATIVES

Considerations before investing

- Diversified vs. equities and bonds** ➤ Low correlation can increase expected Sharpe Ratio of your portfolio
- Uncorrelated positive returns** ➤ Not portfolio insurance or a tail hedge
- Liquidity** ➤ Ability to re-deploy capital when you need to
- Capital efficient** ➤ Often structured to earn a spread over cash; offer potential to lever
- Fees** ➤ Avoid strategies with high carry fees

Investments that fulfill these criteria are deserving of a strategic allocation in balanced portfolios.

GMO ALTERNATIVE ALLOCATION STRATEGY

Leverages 25 years of experience building alternative strategies for integrated multi-asset solutions

Portfolio Objectives:

- Cash + 4% - 6%
- Low correlation to traditional risk assets
- Expected volatility range: 6% - 10% annualized

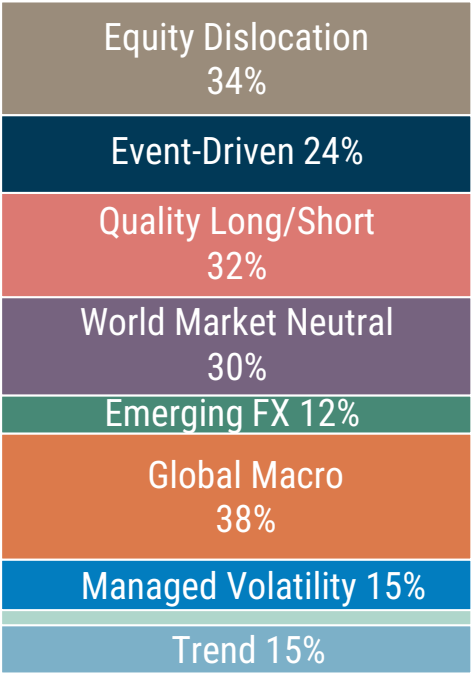
What GMO Alternative Allocation Delivers:

- Diversifying return stream to traditional equity/bond exposures
- Exposure to a wide range of return drivers that can be difficult to access and evaluate
- Expertise and alpha applied to alternative risk premia
- Dynamic allocation based on opportunity set; both top-down and bottom-up
- Efficient and liquid packaging
- Prudent risk management

The target returns are hypothetical and do not reflect actual returns to any GMO client or investor. Target returns are based upon certain assumptions and the best judgment of GMO. Such assumptions include: long-term market assumptions over a full economic cycle. Such assumptions are subject to change. It can be expected that some or all of such assumptions will not materialize or that actual facts will differ materially from such assumptions. Any change or inaccuracy in the assumptions will have a material impact on actual results, and it should not be assumed that any target returns shown herein will be achieved. Hypothetical returns have inherent limitations and prospective investors should not rely on any hypothetical performance shown herein. No representation is made that any fund or investor will or is likely to achieve the results shown. Actual results will differ and may be materially lower than the target shown herein.

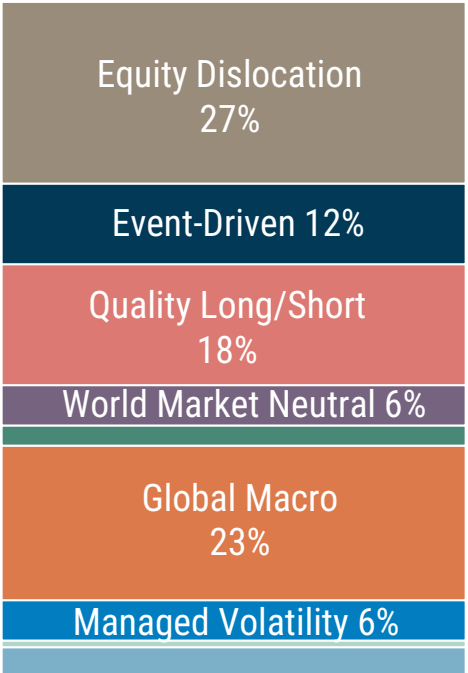
ALTERNATIVE ALLOCATION STRATEGY

CAPITAL ALLOCATION



Annualized Vol 6.9%

RISK ALLOCATION



Total

203%

100%

	S&P 500	EAFE	Emerging Equities	Commodities	U.S. Rates	DXY
BETA	0.1	0.0	-0.1	0.1	0.0	0.1

As of 1/31/26
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DON'T BUY (MOST) VALUE STOCKS

THREE REASONS NOT TO BUY A VALUE INDEX

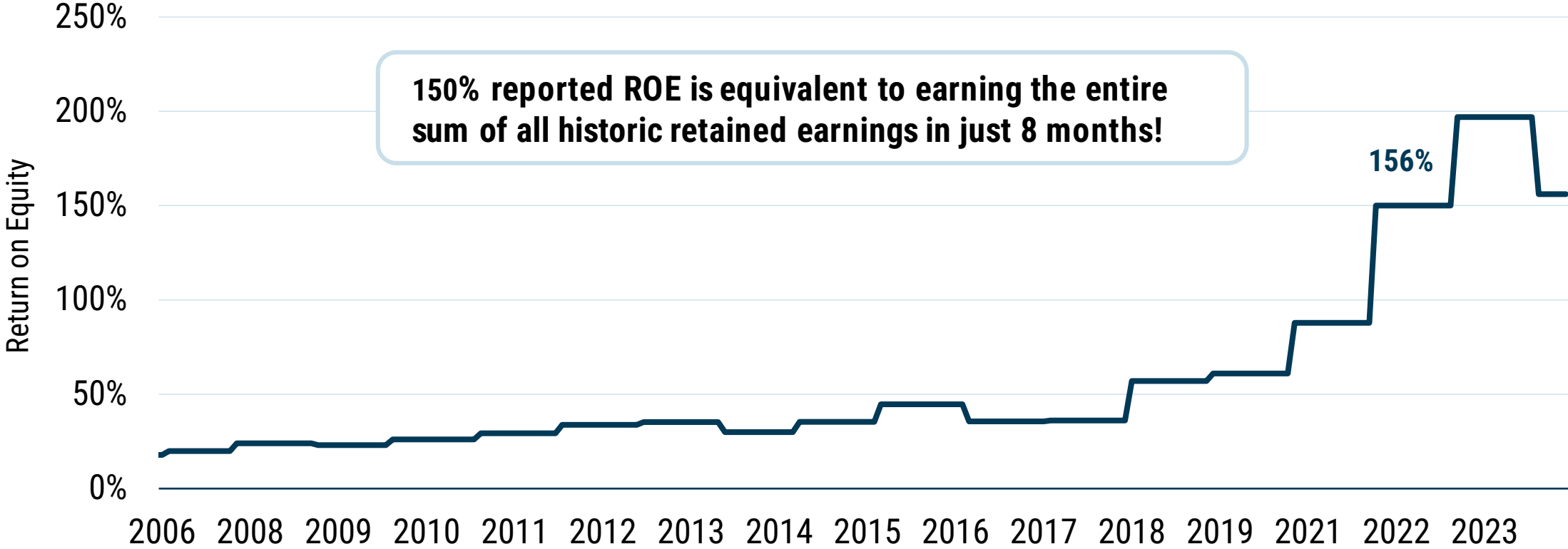
Simple Value approaches present several problems today

1. They rely on **reported financials**, which in many cases are meaningless
2. Are intentionally biased **against Fundamental Growth** and **ignore Quality**
3. **Inefficiently deploy capital** across 50% of the market

SOMETHING ISN'T RIGHT WITH REPORTED NUMBERS

Can we really take Apple's reported accounting numbers at face value?

APPLE'S PROFITABILITY IN THE ERA OF THE IPHONE



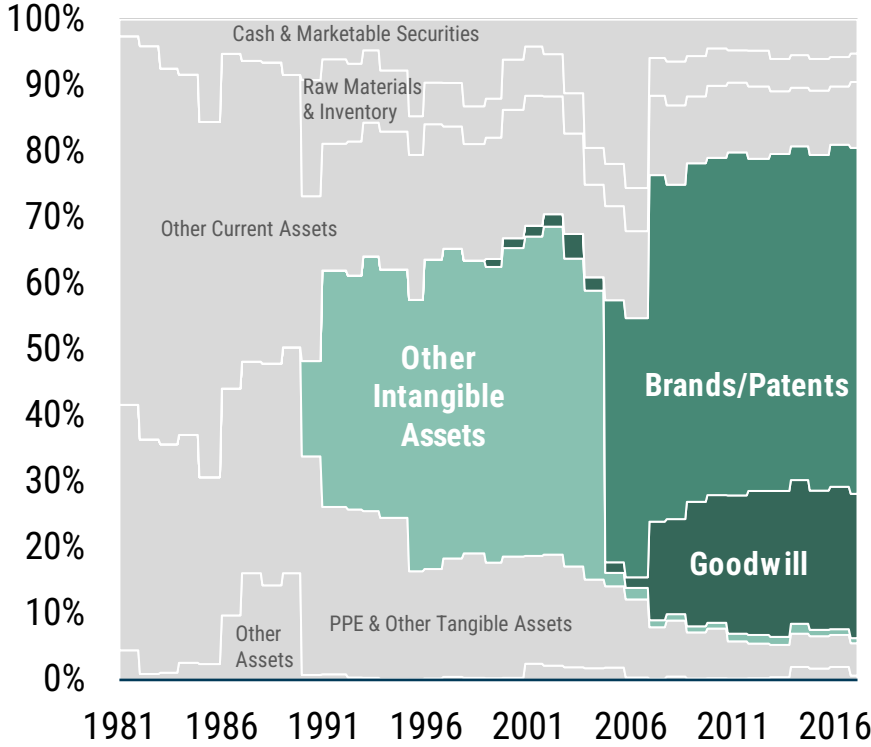
As of 3/31/24 | Source: Worldscope, GMO

The company discussed herein is for illustrative purposes only and was not chosen based on its performance. The reader should not assume that an investment in the company identified was or will be profitable. The security above is not necessarily representative of the securities purchased, sold, or recommended for advisory clients, and it should not be assumed that the investment in the security identified will be profitable.

THE INCONSISTENT TREATMENT OF INTANGIBLES

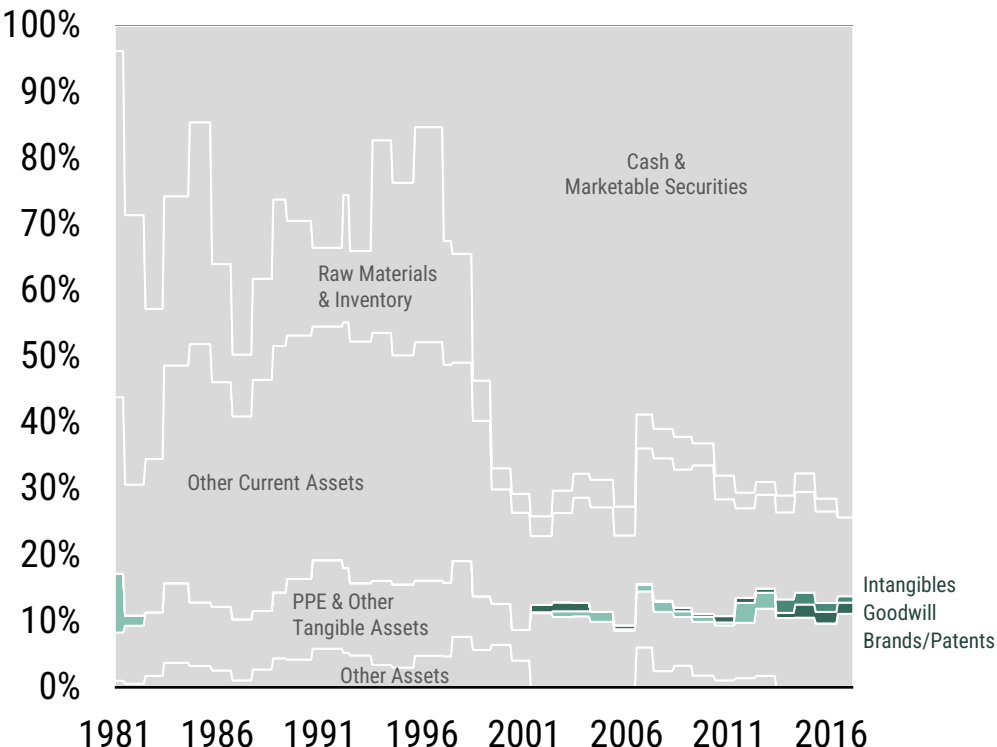
Bought-in intangibles vs. in-house intangibles

RECKITT



**Bought-in intangibles
dominate the balance sheet**

APPLE



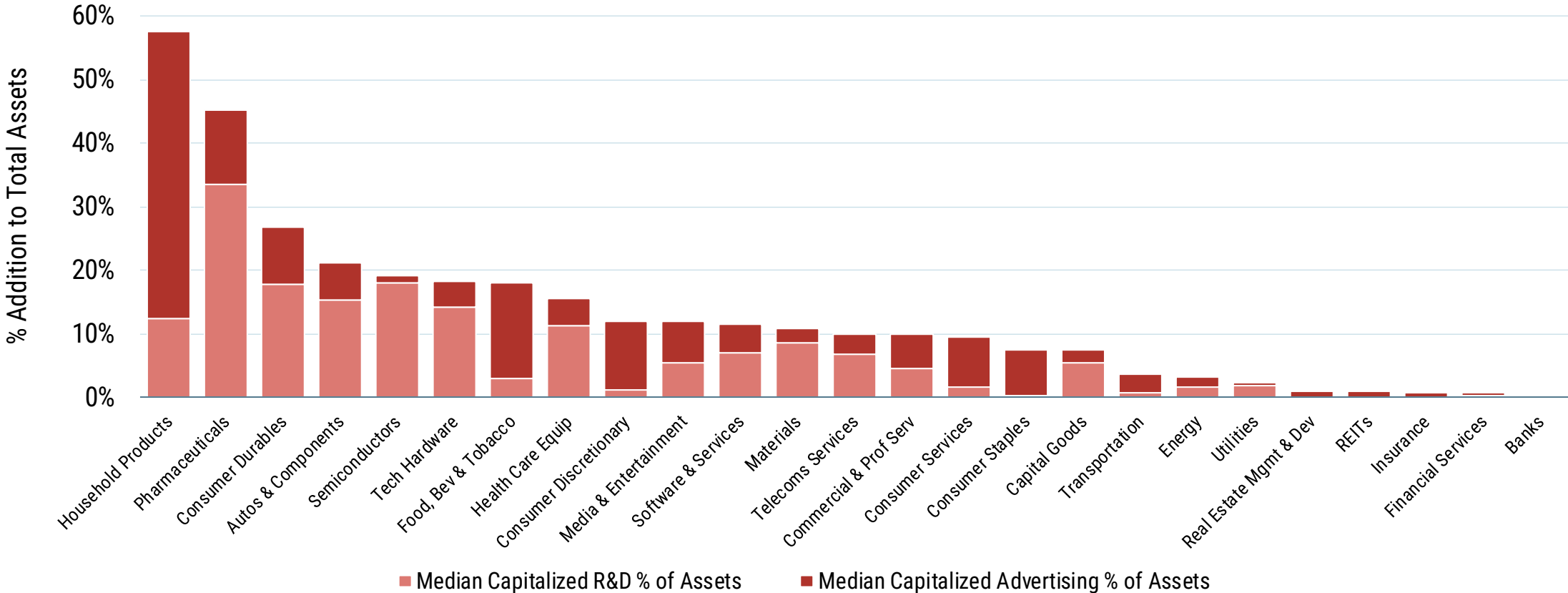
**In-house intangibles
not on the balance sheet**

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IN HOUSE INTANGIBLES NEED TO BE RECOGNIZED

The impact of including in-house intangibles can be very sizeable

SUMMARIZING ADJUSTMENTS BY INDUSTRY



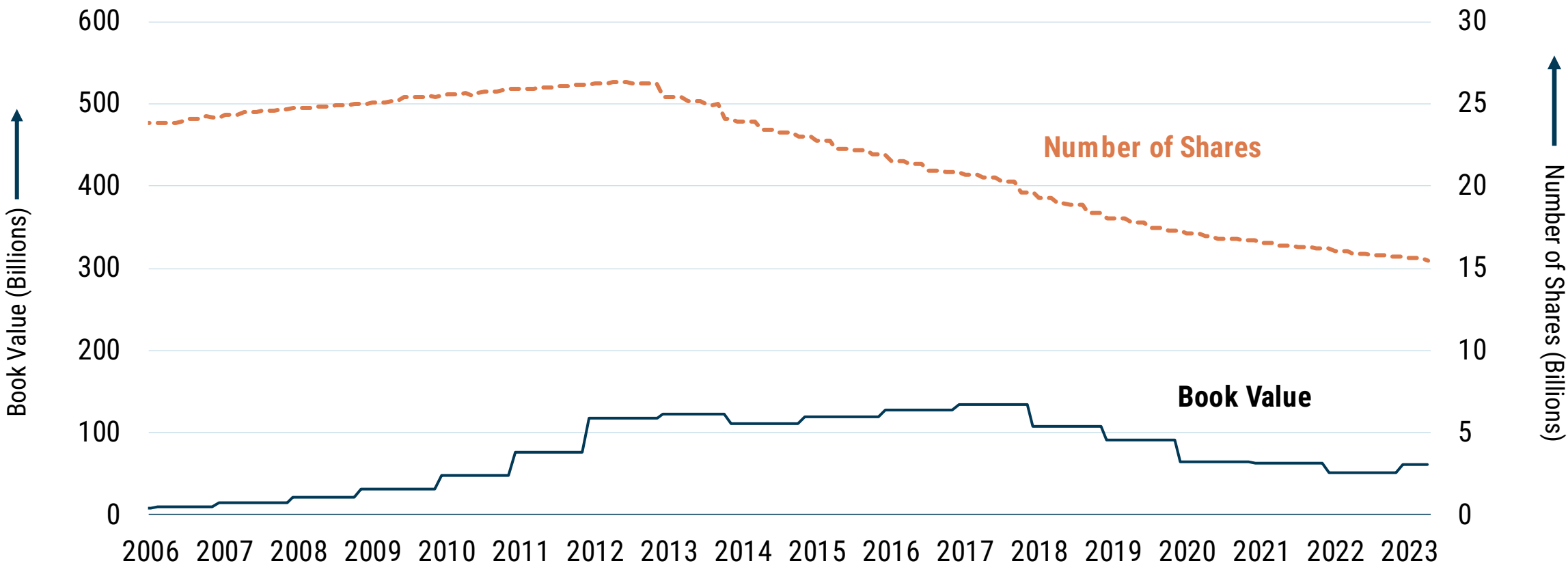
Data from 12/31/90 to 12/31/25 | Source: GMO

Industry median capitalized R&D and advertising as a percent addition to total assets in global developed markets. Some industries have later initiation dates including Semiconductors (April 2003), REITs (September 2016), Media & Entertainment (October 2018), and Real Estate Management and Development (March 2023).

INTANGIBLES ARE ONLY HALF THE STORY

It isn't a coincidence that book value stopped growing when buybacks came into force

APPLE'S BOOK VALUE AND SHARE COUNT



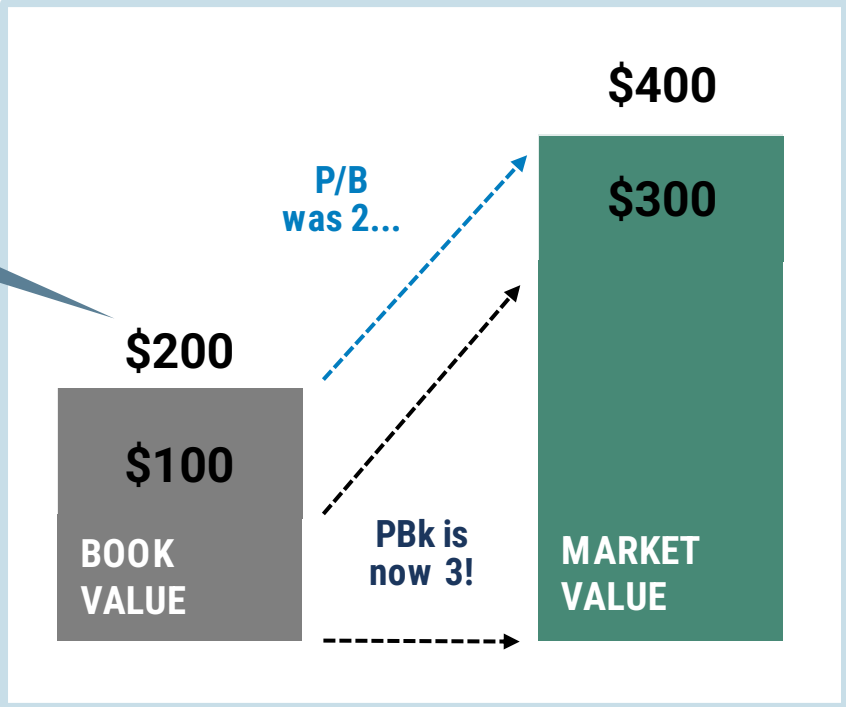
As of 3/31/24 | Source: Worldscope, GMO
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HOW DO BUYBACKS CAUSE DISTORTIONS?

Buybacks reduce both Book Value and Market Value but ...
by the SAME \$ amount!

Book is reduced MORE in percentage terms

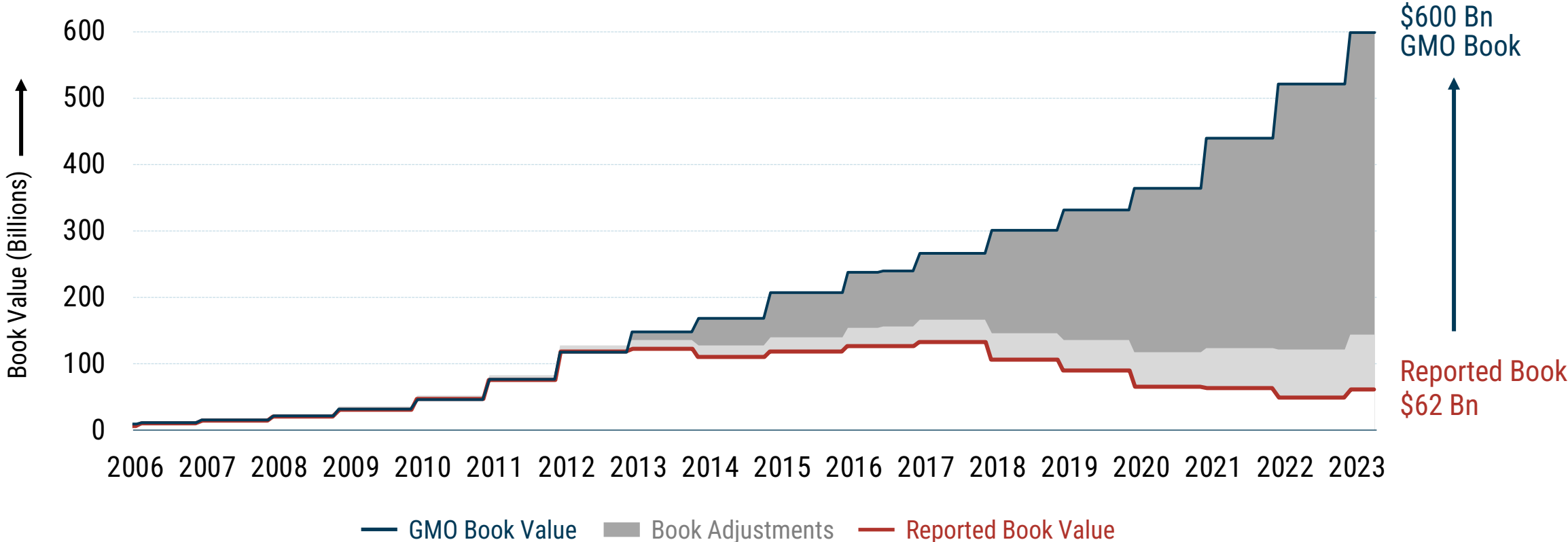
⇒ Price to Book will INCREASE!



WITH THE FREEDOM TO SKIP CONVENTIONAL RULES, WE CAN PRODUCE AND USE MUCH MORE REALISTIC NUMBERS

A steadily growing book value for Apple seems more realistic given the fundamental backdrop

APPLE'S REPORTED BOOK VS. GMO'S ECONOMIC BOOK



As of 3/31/24 | Source: Worldscope, GMO
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RESTATED GMO VALUES CLOSER TO ECONOMIC REALITY

Return on Equity and Price-to-Book for Apple and a selection of large global companies

Company	ROE (%)	P/B	Economic ROE	Economic P/B
Brambles	25	5	7	1.4
United Parcel Service	39	7	7	1.3
Carvana	185	69	12	5.5
Latam Airlines	129	17	13	1.6
Oracle	792	316	10	3.3
McDonald's	-180	-44	17	4.2
Next	61	10	13	2.1
Lockheed Martin	101	17	15	2.3
Diageo	48	8	13	2.1
Apple	156	15	18	4.5

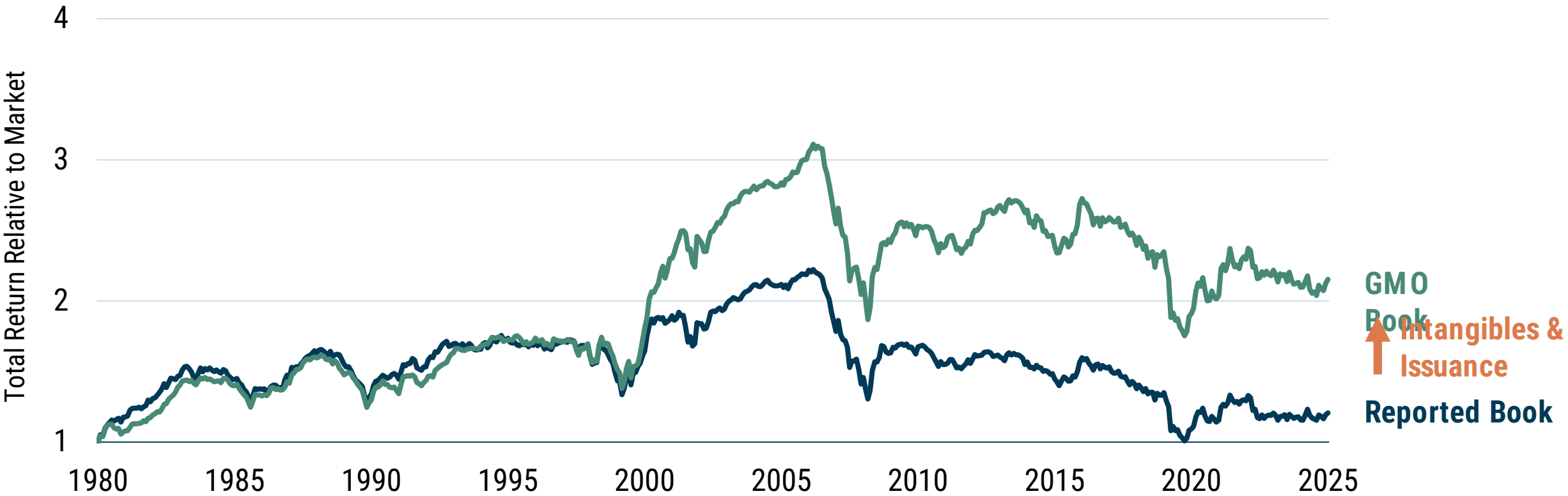
As of 3/31/24 | Source: Worldscope, GMO

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IMPROVING INDEX VALUE

Impact of developing proprietary financials

TOP QUINTILE OF VALUE IN MSCI WORLD EX USA



As of 12/31/25 | Source: MSCI, GMO
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THREE REASONS NOT TO BUY A VALUE INDEX

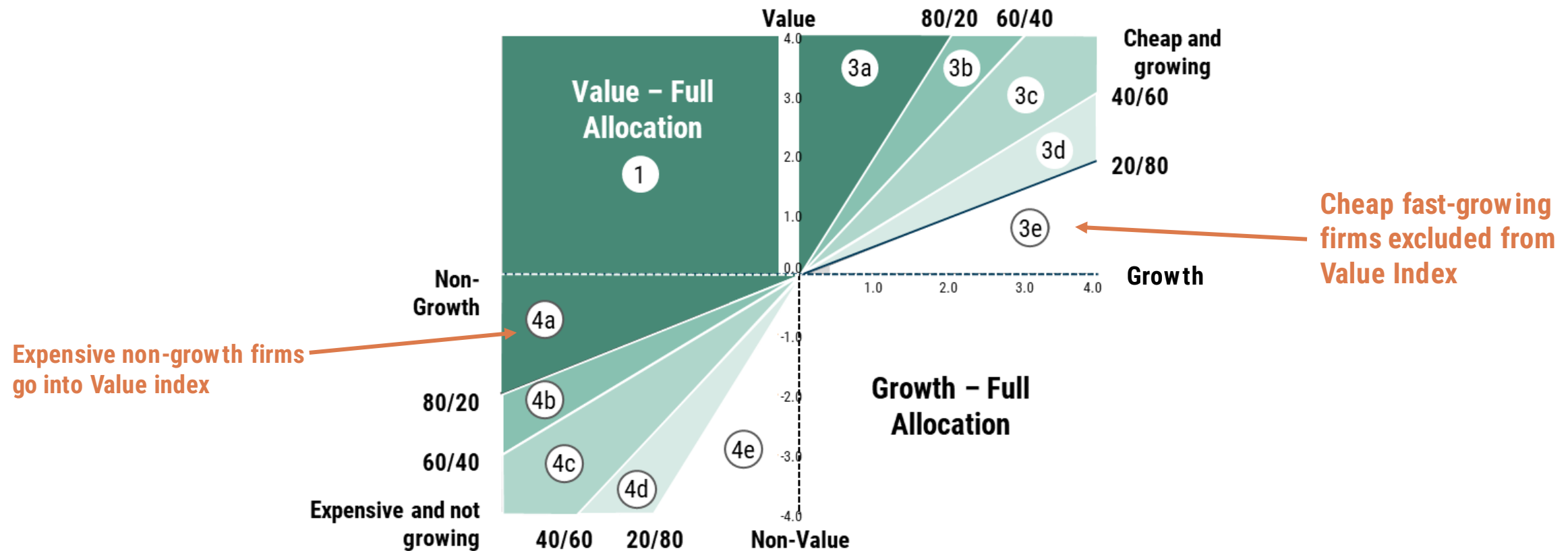
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1. They rely on **reported financials** which in many cases are meaningless
 - Build our own **proprietary financials**
2. Are intentionally biased **against Fundamental Growth** and **ignore Quality**
3. **Inefficiently deploy capital** across 50% of the market

WHAT YOU GET FROM AN INDEX PROVIDER

A willingness to pay up for non-growers!

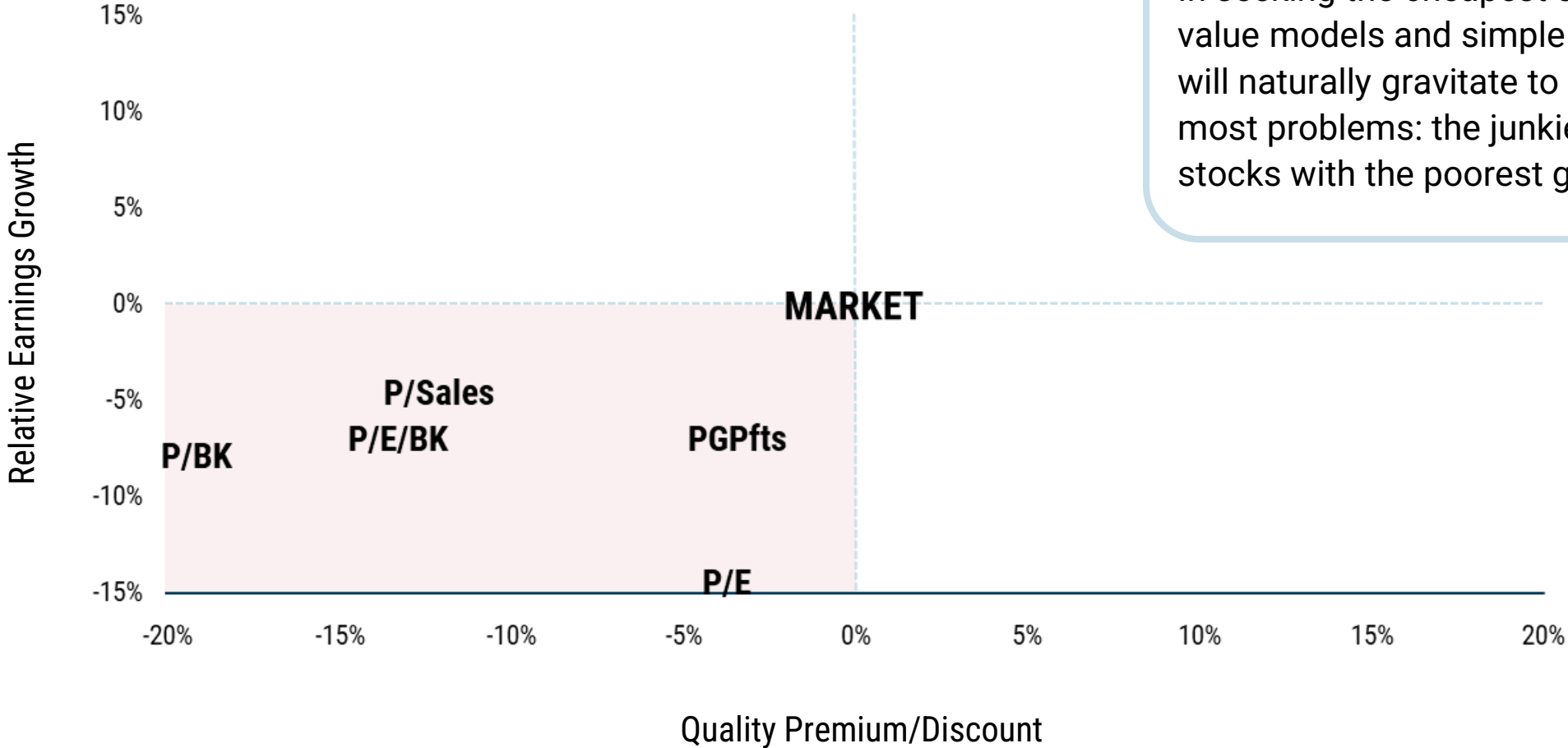
MSCI VALUE AND GROWTH STYLE SPACE, ALLOCATING INITIAL VIF AND GIF



<https://www.msci.com/index/methodology/latest/GVG>

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SIMPLE VALUE SHOULD COME WITH A HEALTH WARNING!

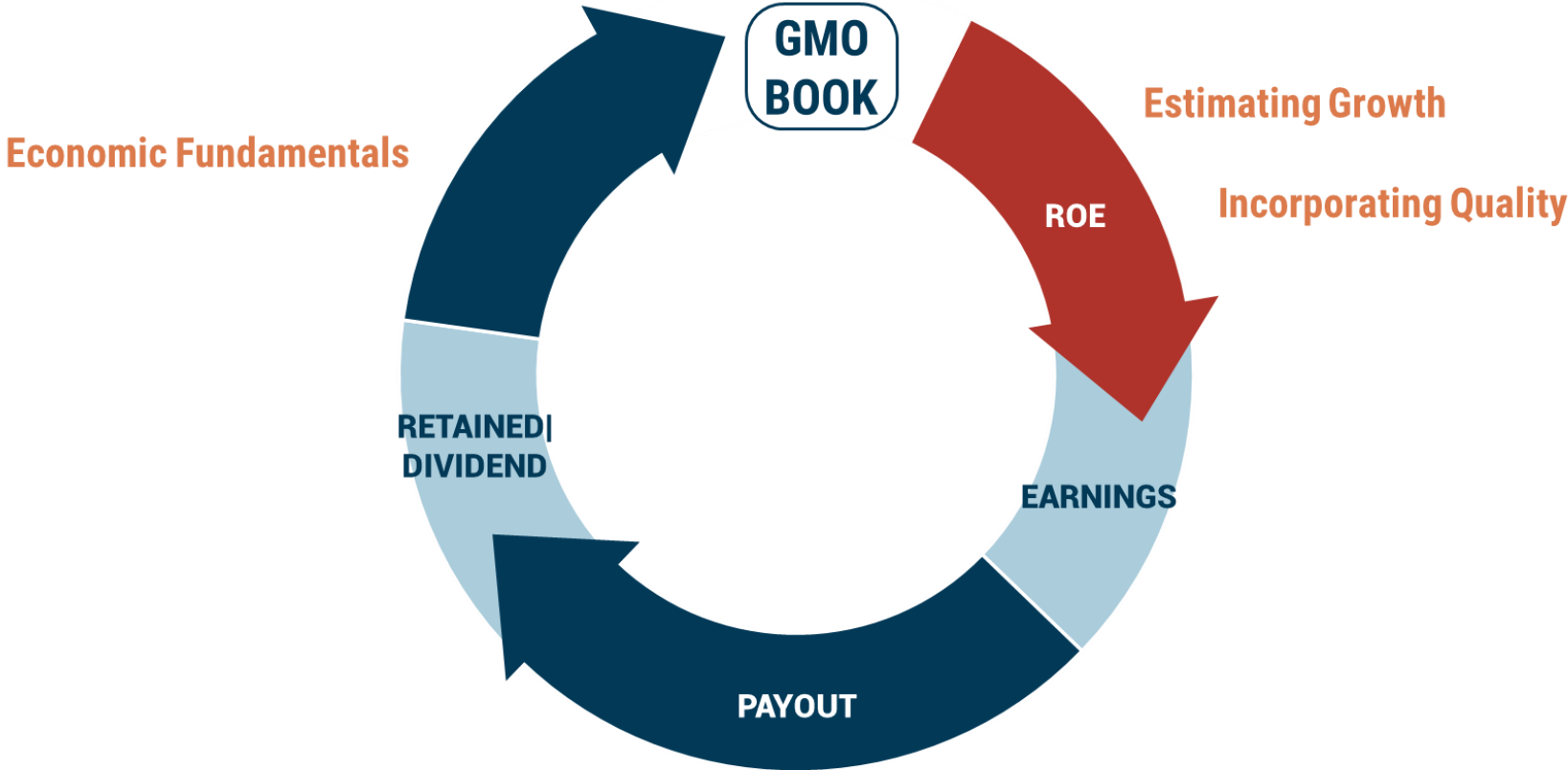


In seeking the cheapest stocks, simple value models and simple value indexes will naturally gravitate to stocks with the most problems: the junkier, lower quality stocks with the poorest growth prospects

Source: GMO
Analysis conducted on the U.S. market only, cheapest half of each value metric, 1980-2020.

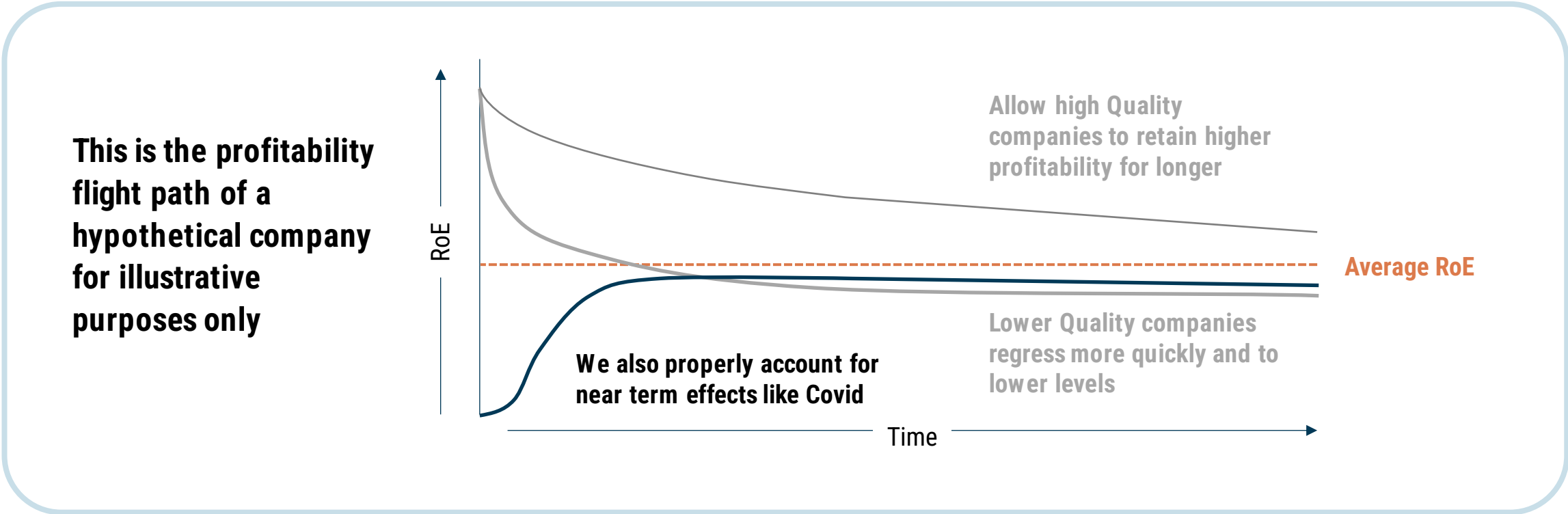
GMO PRICE-TO-FAIR VALUE

Forward-forward looking projections incorporate quality & growth potential



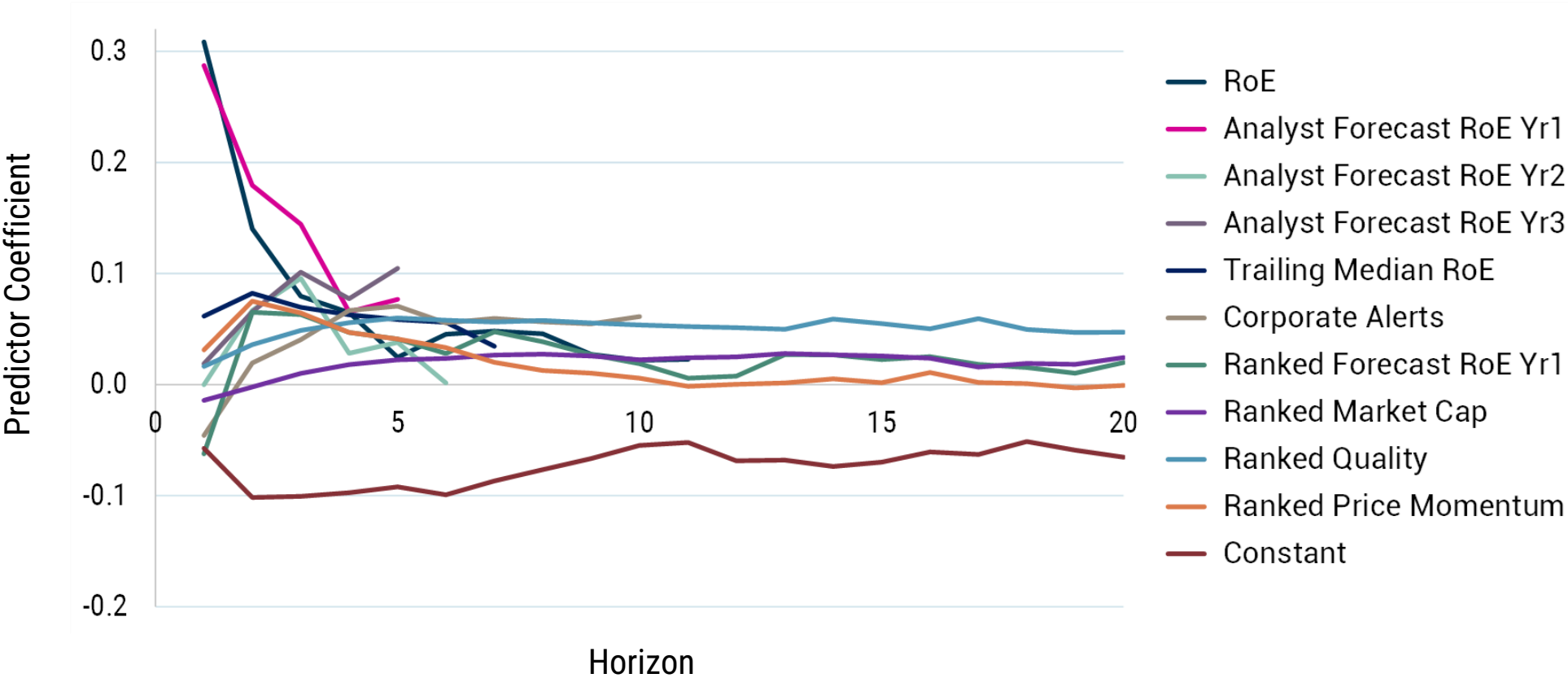
DEVELOPING PROFITABILITY PROJECTIONS

We take current fundamentals and propagate them out into the future each year by forecasting a likely future profitability flight path



LASSO REGRESSIONS FOR ROE FLIGHT PATHS

RoE FLIGHT PATH COEFFICIENTS

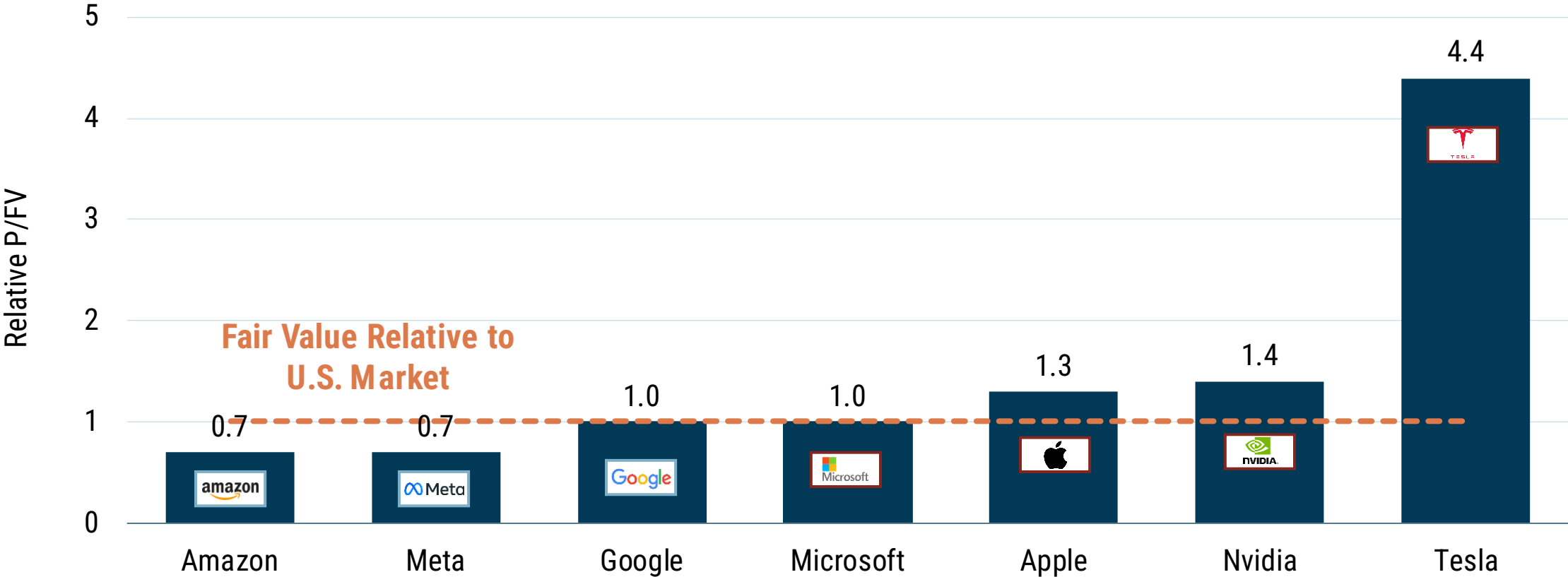


Source: GMO

HOW MAGNIFICENT ARE THE SEVEN?

Not all as expensive as you might think

MAGNIFICENT SEVEN – P/FV RELATIVE TO U.S. MARKET

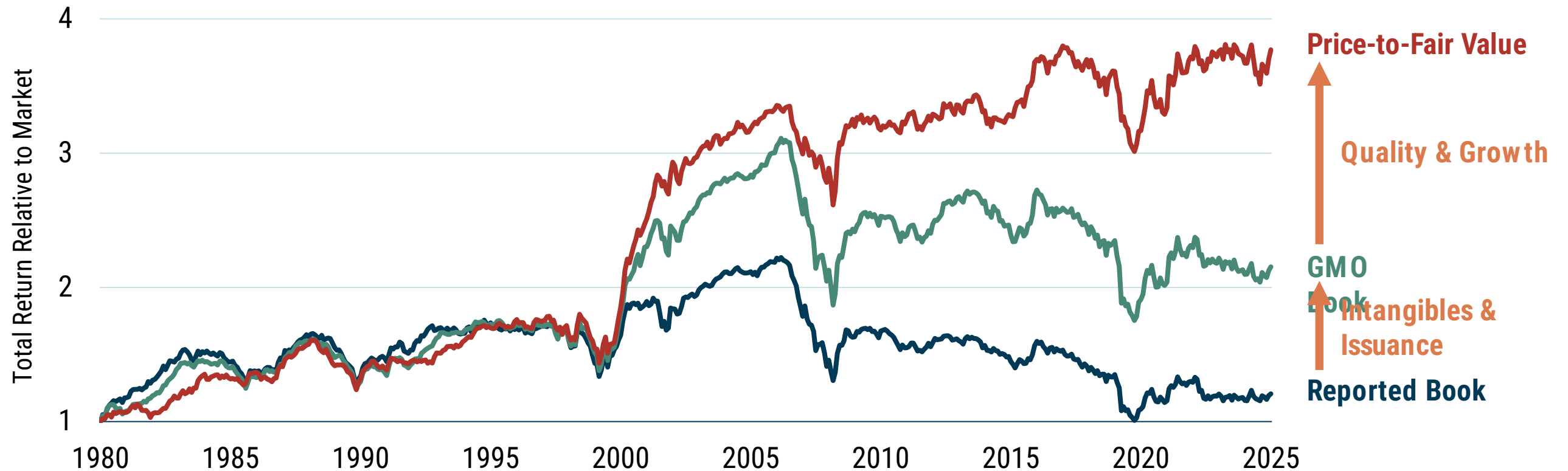


As of 12/31/25 | Source: GMO

IMPROVING INDEX VALUE

Impact of developing forward-looking projections that incorporate quality & growth potential

TOP QUINTILE OF VALUE IN MSCI WORLD EX USA



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HOW TO BUY VALUE TODAY

Sensible ways to exploit an extraordinary opportunity

- Fix the accounting before deciding what is cheap and expensive
- Recognize that growth and quality aren't the enemy – expensive is!
 - Be willing to pay a premium for profitable growth and high quality
- Long-only value portfolios should focus on deep value
 - Outperforms the rest of value and is much cheaper today
- Long deep value/short extreme growth is extremely well positioned and uncorrelated to the market

APPENDIX

THE TEN SIGNS OF A BUBBLE

According to Edward Chancellor

1. Moral hazard



2. Easy money



3. Bubble echoes



4. Irrational exuberance



5. High consumption



6. Valuations unanchored



7. Overblown growth



8. Credit boom



9. Ponzi finance



10. This time is different



Looking somewhat bubbly

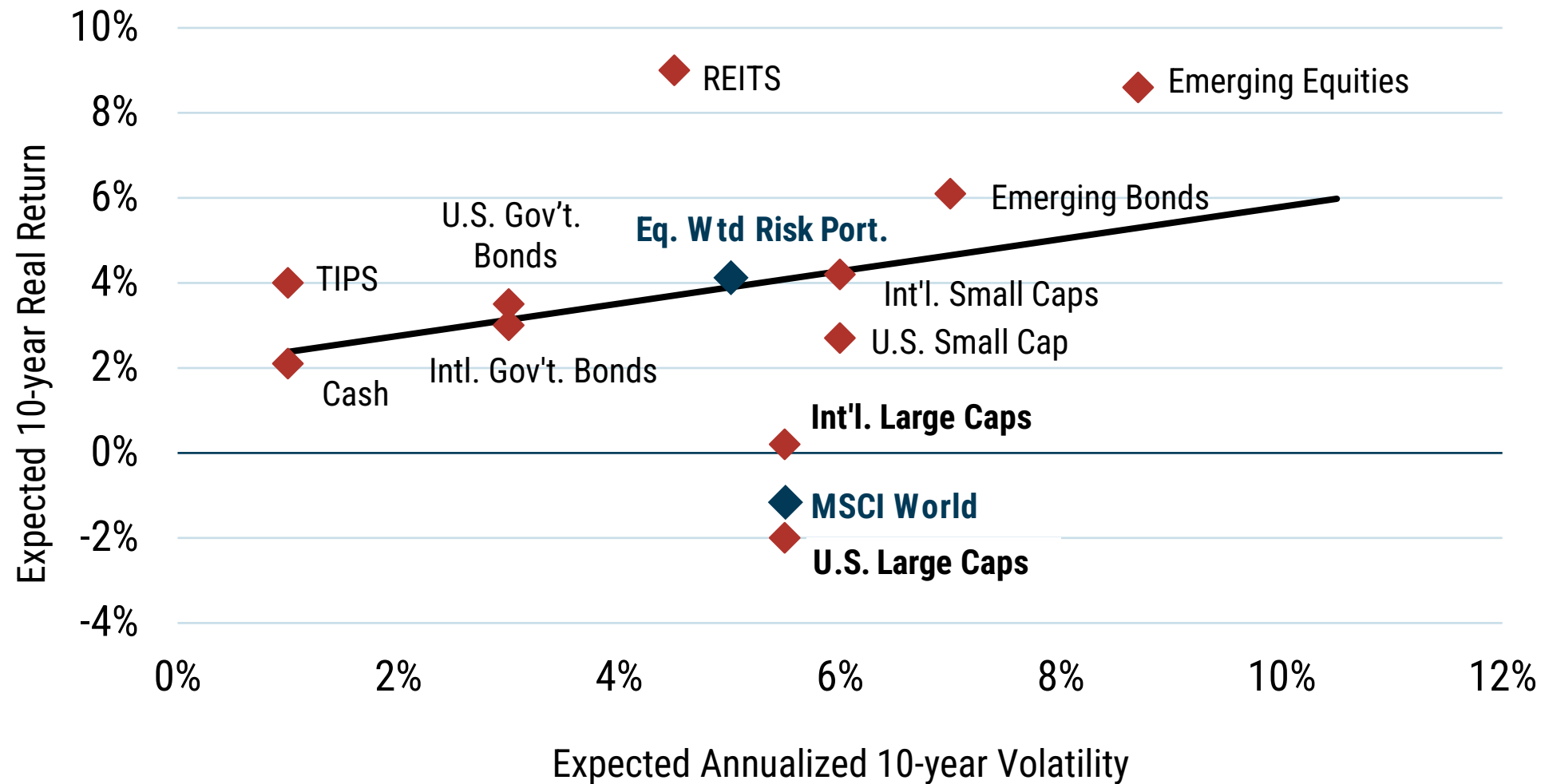


Looking very bubbly



Possibly the bubbliest in history

RISK REWARD TRADE-OFF IN JUNE 2000

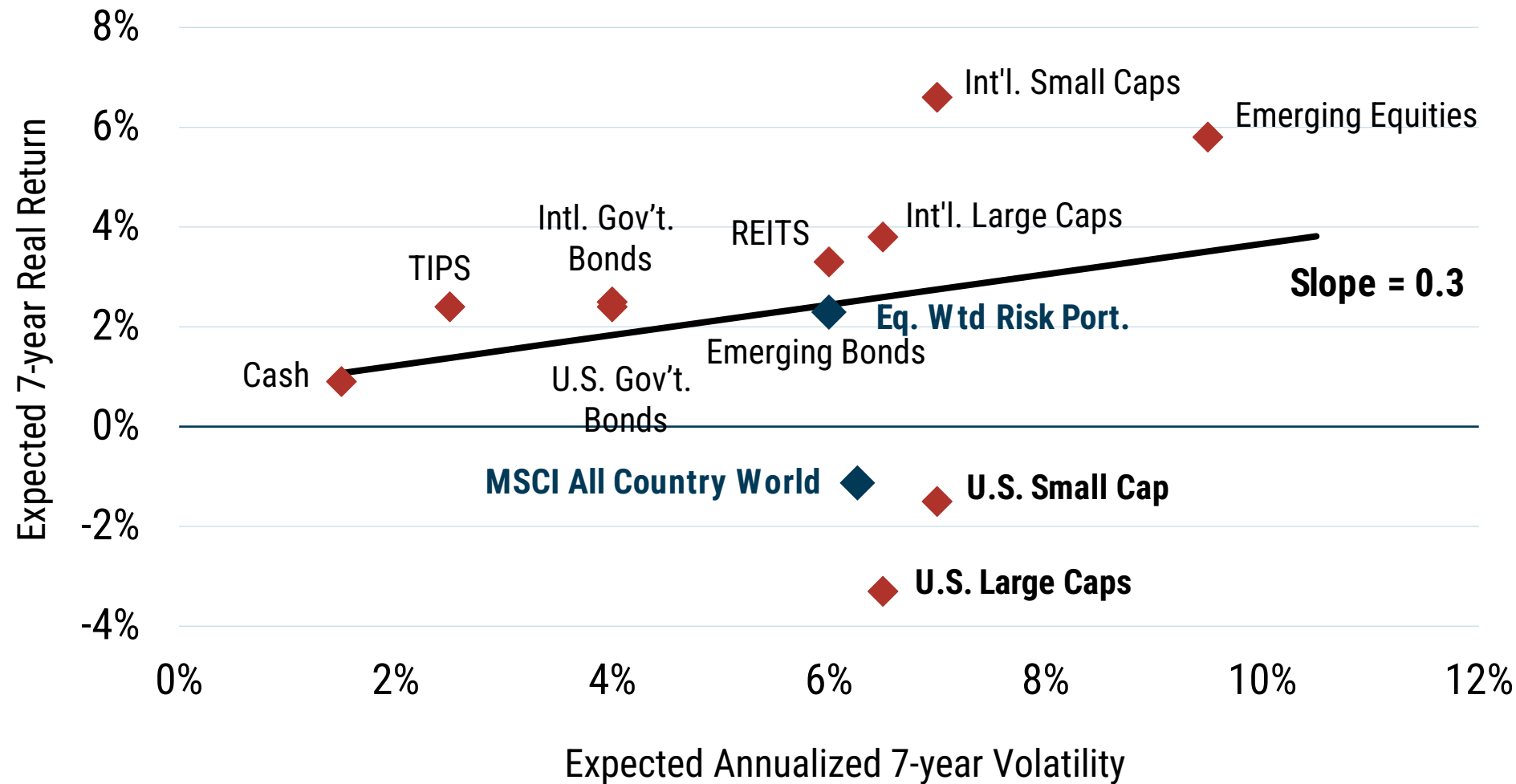


- Slope of risk reward line was fairly positive
- Average risk asset was much better than MSCI World
- Bubble was contained to large growth

Note: GMO Forecasts as published in June 2000

The expectations provided above are based upon the reasonable beliefs of the Asset Allocation team and are not a guarantee. Expectations speak only as of the date they are made, and GMO assumes no duty to and does not undertake to update such expectations. Expectations are subject to numerous assumptions, risks, and uncertainties, which change over time. Actual results may differ materially from those anticipated in the expectations above.

RISK REWARD TRADE-OFF IN JANUARY 2026



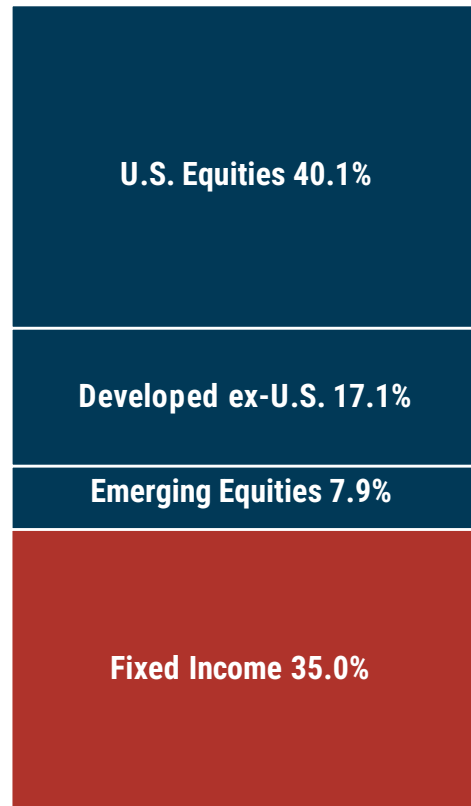
- Slope of risk reward line is fairly positive
- Average risk asset is much better than MSCI World
- Bubble looks contained to U.S. equities

Note: Current Expected Returns using 9/30/25 scenario weights of 28% Normal, 69% Low, 3% Ultra-Low

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GLOBAL ASSET ALLOCATION STRATEGY

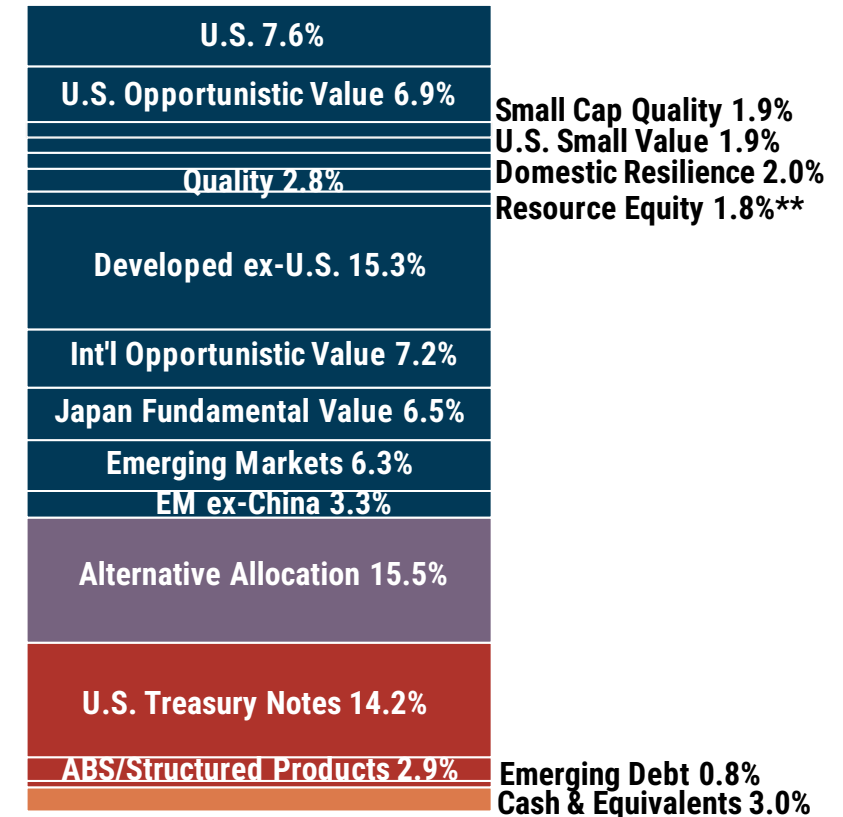
BENCHMARK 65% EQUITIES/35% BONDS ¹



GMO ACTIVE WEIGHTING DECISIONS^{2*}



STRATEGY



As of 1/31/26 | Source: GMO

¹65% MSCI ACWI / 35% Bloomberg U.S. Aggregate. ² Equity range 45% – 85%.

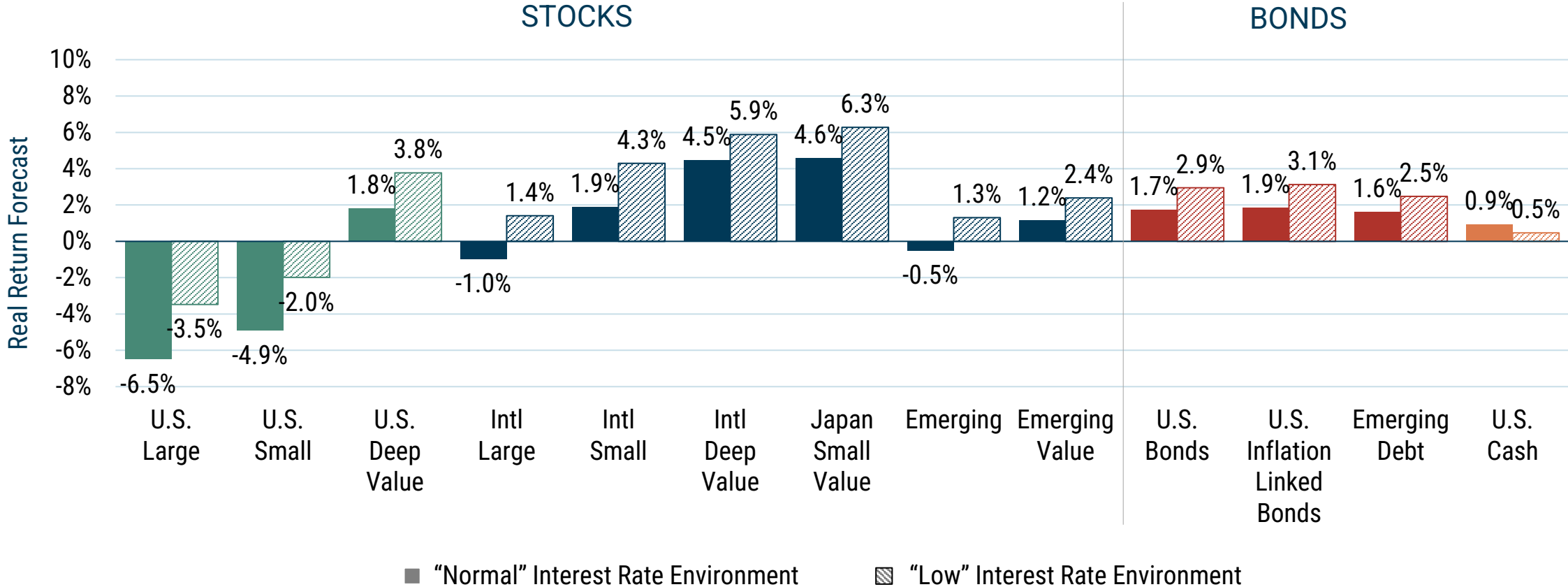
*Active weighting decisions are based on security level holdings and are subject to change without notice.

**Includes GMO's Resources and Climate Change strategies.

Quality is predominantly U.S. but does hold some Developed ex-U.S. and Emerging. 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 groups indicated above represent exposures determined pursuant to proprietary methodologies and are subject to change over time. Totals may not add due to rounding. 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.

7-YEAR ASSET CLASS REAL RETURN FORECASTS*

As of January 31, 2026

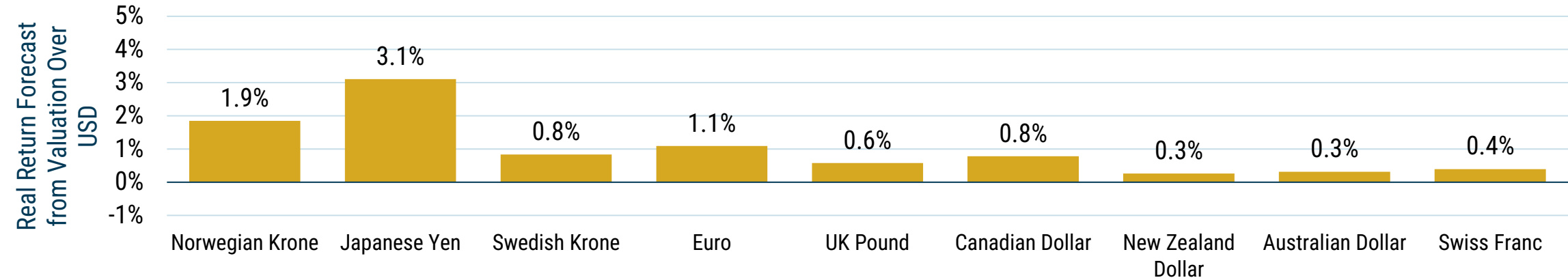


Source: GMO

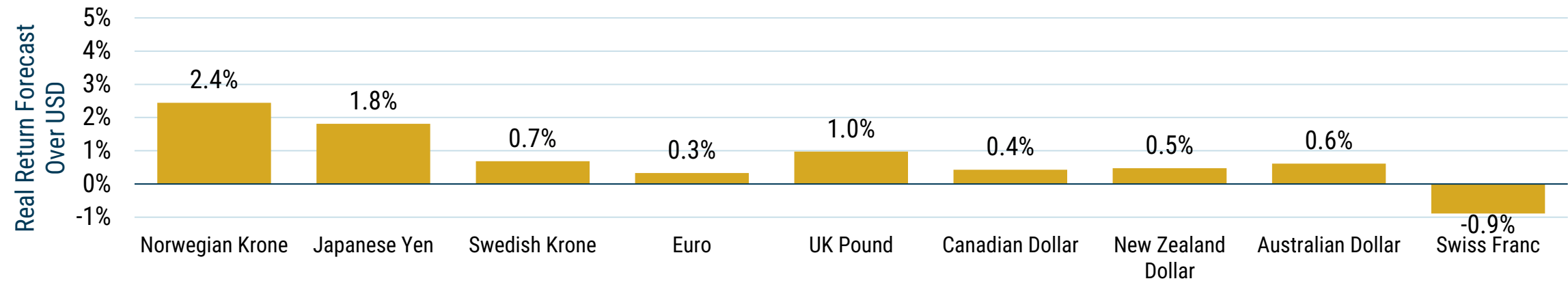
*The chart represents real return forecasts for several asset classes and not for any GMO fund or strategy. These forecasts are forward-looking statements based upon the reasonable beliefs of GMO and are not a guarantee of future performance. Forward-looking statements speak only as of the date they are made, and GMO assumes no duty to and does not undertake to update forward-looking statements. Forward-looking statements are subject to numerous assumptions, risks, and uncertainties, which change over time. Actual results may differ materially from those anticipated in forward-looking statements. "Normal" interest rate environment is consistent with 1.3% equilibrium real cash rate. "Low" interest rate environment is consistent with 0.0% equilibrium real cash rate.

CURRENCY FORECASTS

CURRENCY 7-YEAR FORECAST FROM VALUATION



CURRENCY 7-YEAR FORECAST



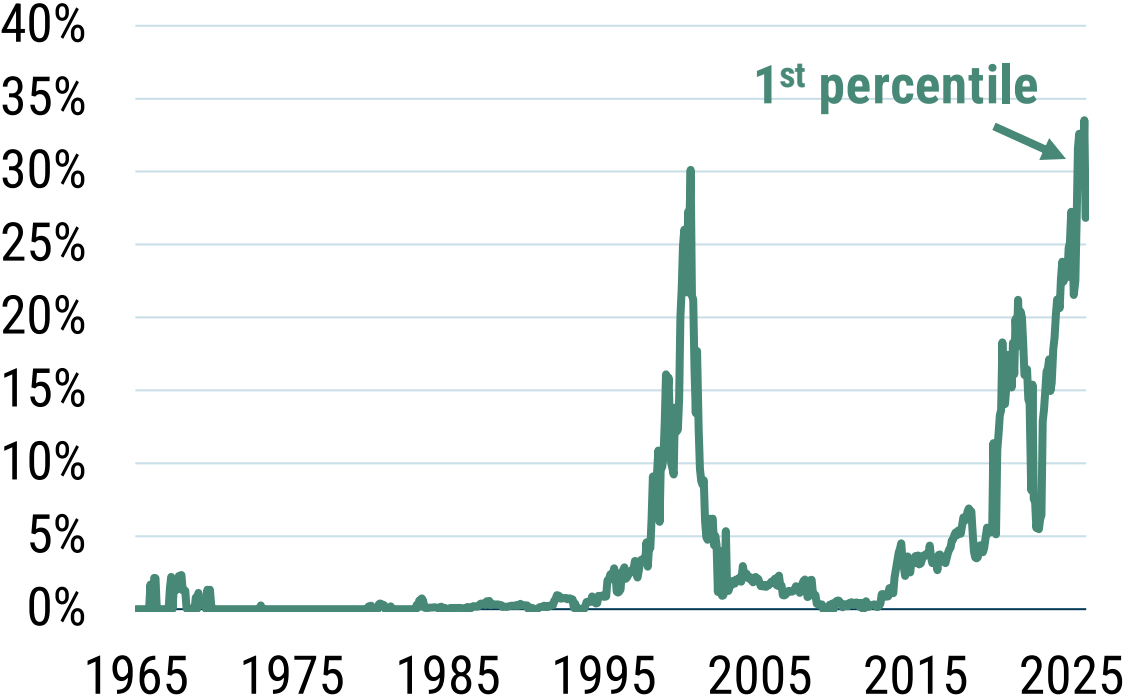
As of 1/31/26 | Source: GMO

The chart represents currency forecasts for several currencies and not for any GMO fund or strategy. These forecasts are forward-looking statements based upon the reasonable beliefs of GMO and are not a guarantee of future performance. Forward-looking statements speak only as of the date they are made, and GMO assumes no duty to and does not undertake to update forward-looking statements. Forward-looking statements are subject to numerous assumptions, risks, and uncertainties, which change over time. Actual results may differ materially from those anticipated in forward-looking statements.

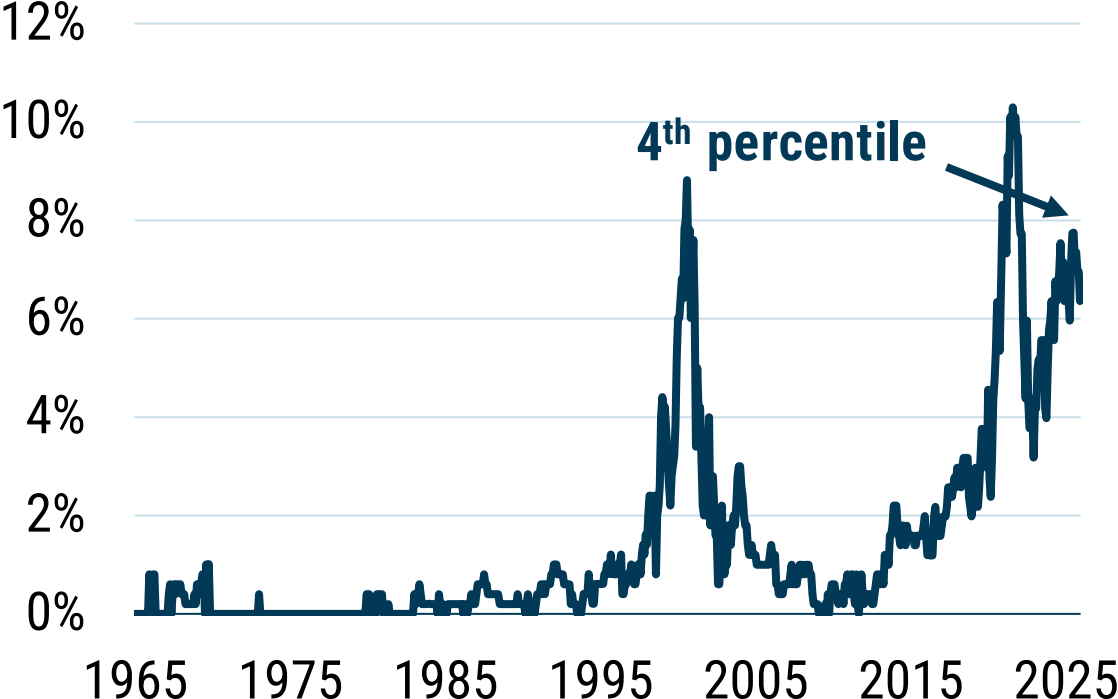
S&P 500 ONCE AGAIN CONCENTRATED IN EXPENSIVE NAMES

% stocks with Price/Sales > 10x is at an extreme even after adjusting for select number of mega-caps

MARKET CAP WEIGHTED



EQUAL WEIGHTED

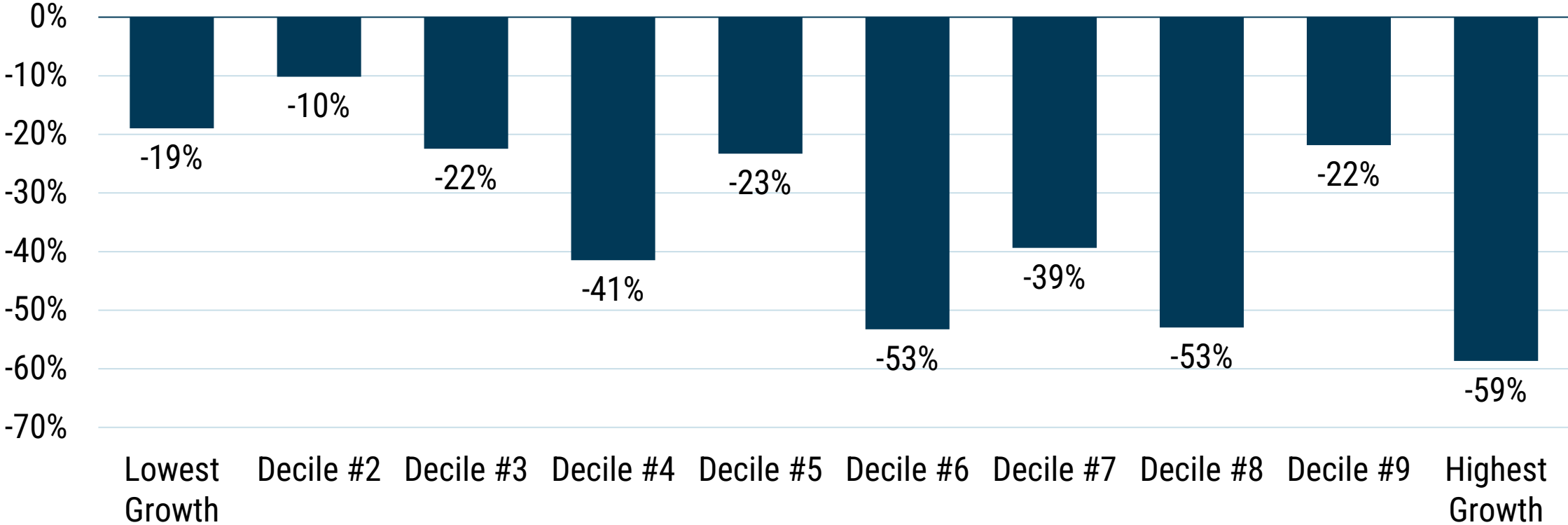


As of 12/31/25 | Source: GMO

DISCOUNTS ARE WIDE EVEN WHEN TAKING GROWTH INTO ACCOUNT

Non-U.S. stocks trade at deep discounts adjusting for the same level of expected growth

VALUATION DISCOUNTS BY GROWTH COHORT (MSCI WORLD EX-USA VS. USA)

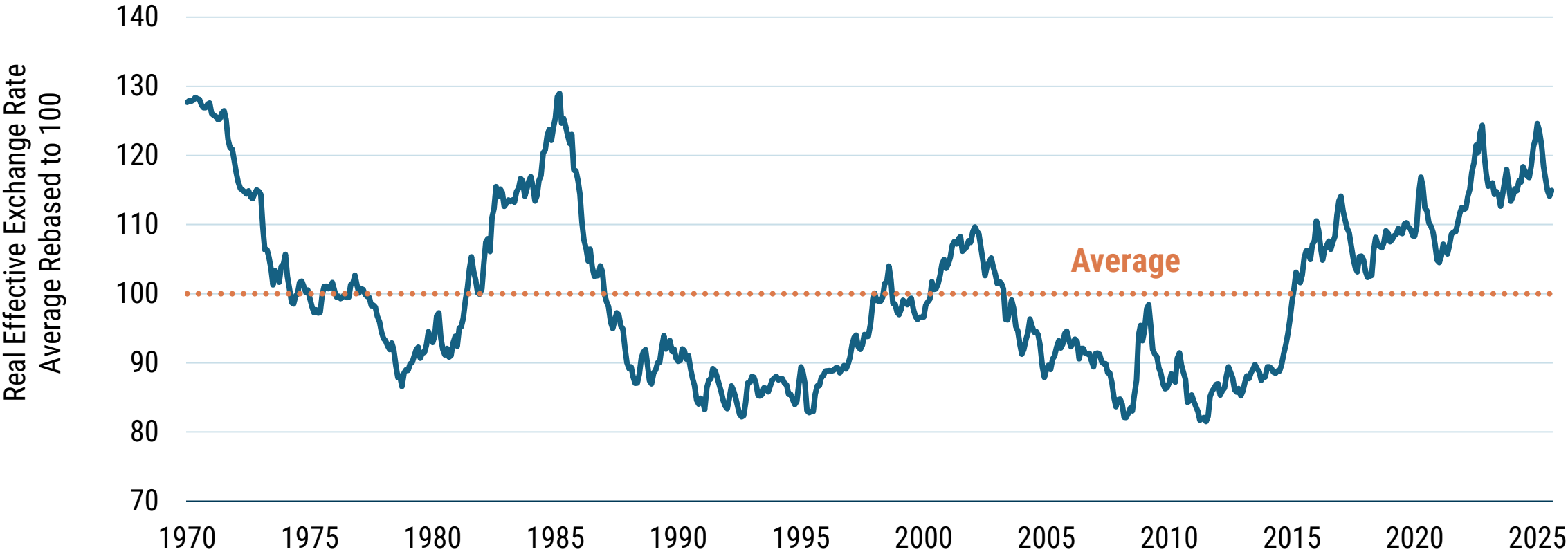


As of 12/31/25 | Source: Compustat, Worldscope, MSCI, S&P Global, Bloomberg, IBES/LSEG, GMO
Bars represent Price/Gross Profit discounts. MSCI World (ex-Financials) sorted into deciles based on 2-year EPS growth rates from sell-side analyst forecasts.

U.S. DOLLAR REMAINS VERY EXPENSIVE

The U.S. dollar is just off its 40-year high

U.S. DOLLAR REAL EFFECTIVE EXCHANGE RATE

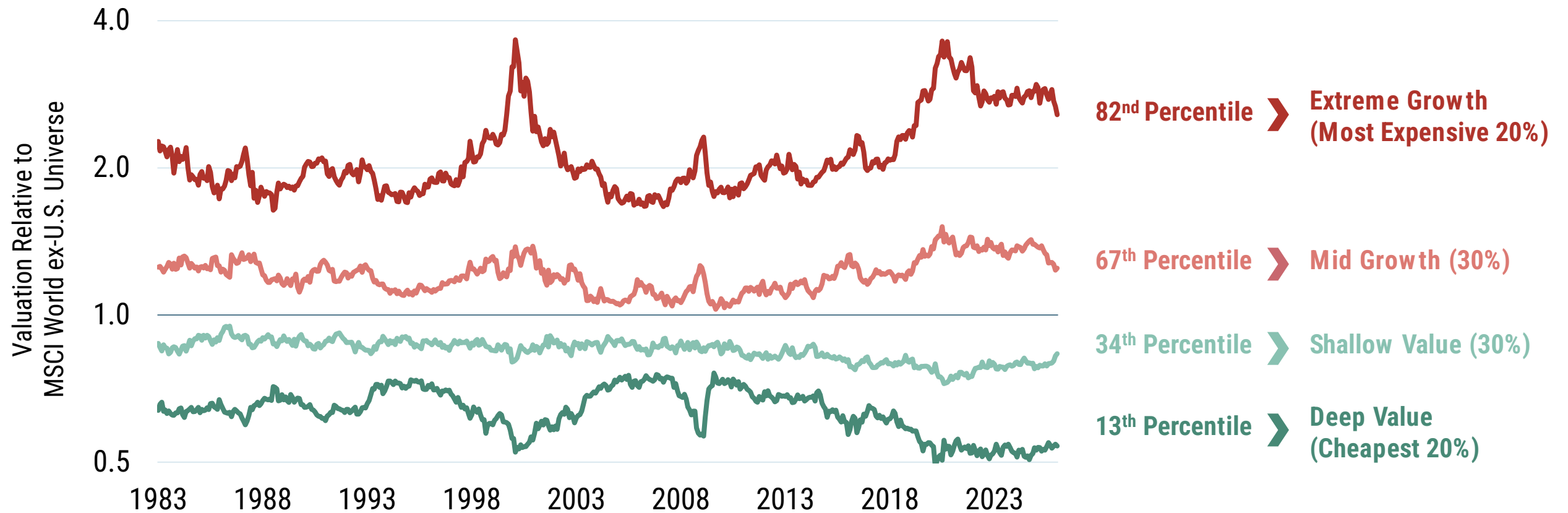


As of 8/30/25 | Source: BIS, GMO
Bank of International Settlements Narrow Real Effective Exchange Rate

IN DEVELOPED MARKET EX-U.S., “DEEP VALUE” (CHEAPEST 20%) IS EXCEPTIONALLY CHEAP

Deep value remains attractive, in line with 15th percentile at the end of Q4 and 7th percentile a year ago

VALUATION GROUPS IN MSCI WORLD EX-U.S. UNIVERSE

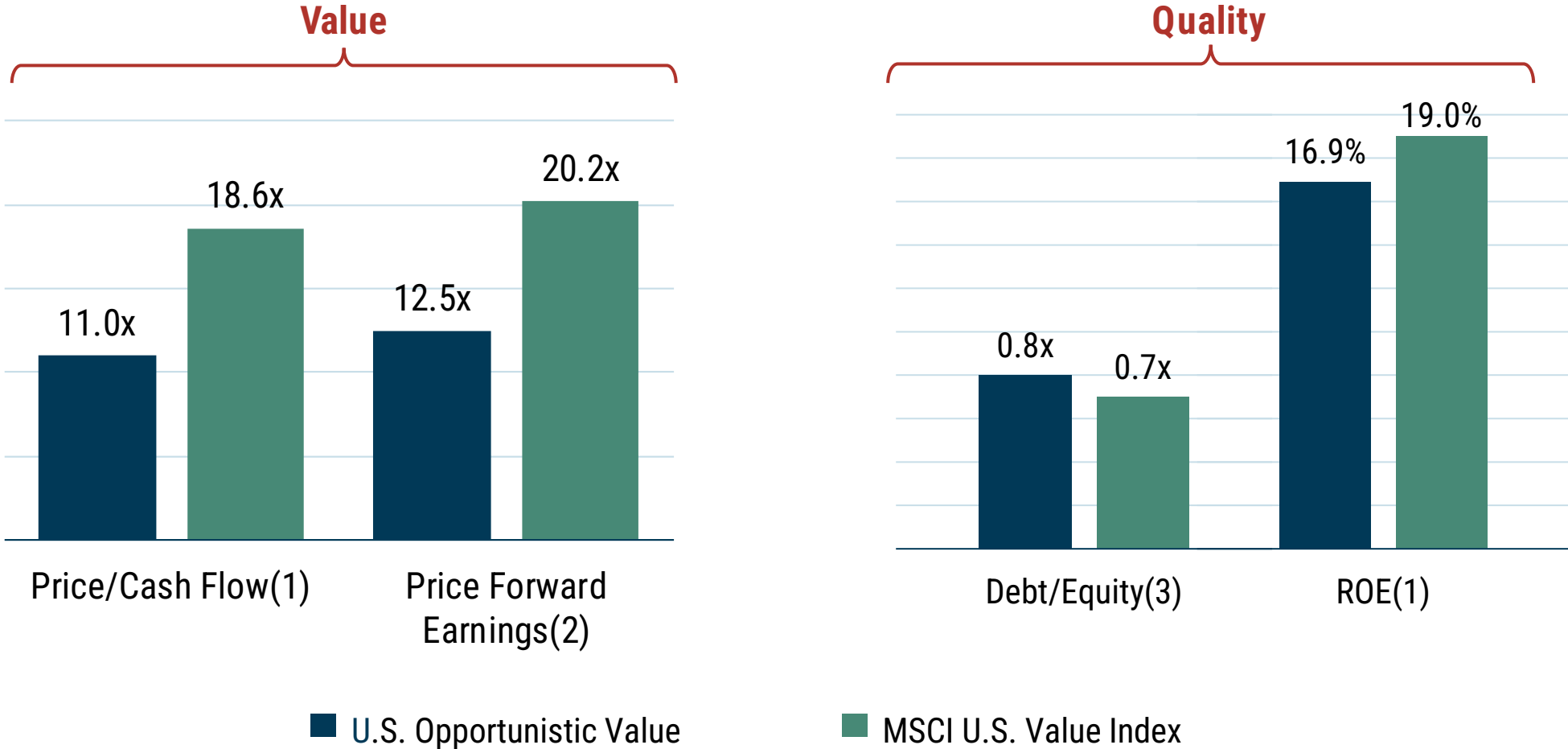


As of 1/31/26 | Source: GMO

Stock valuations are calculated on a blend of Price/Sales, Price/Gross Profit, and Price/Economic Book. Groups of value and market are weighted by square root of market cap. All groups have the same country exposure as the universe. 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.

BUILDING A CHEAP PORTFOLIO THAT ISN'T JUNKY

U.S. Opportunistic Value Strategy exposure characteristics



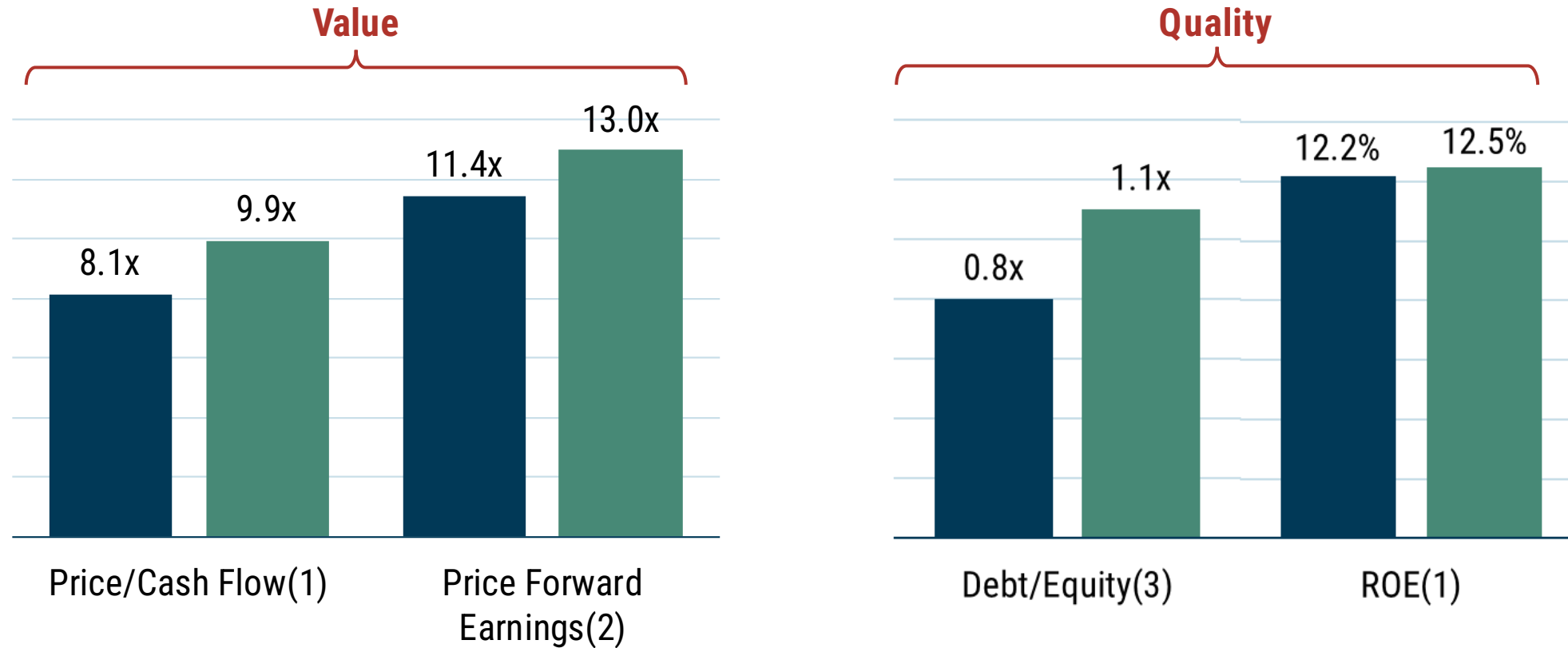
As of 1/31/26 | Source: GMO

- (1) Historical 1-year weighted median
- (2) Forecast 1-year weighted median
- (3) Weighted median

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. 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.

BUILDING A CHEAP PORTFOLIO THAT ISN'T JUNKY

International Opportunistic Value Strategy exposure characteristics



As of 1/31/26 | Source: GMO

(1) Historical 1-year weighted median

(2) Forecast 1-year weighted median

(3) Weighted median

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EQUITY DISLOCATION: FOCUSING ON THE EXTREMES



As of 12/31/25 | Source: MSCI, GMO

* Valuation is based on GMO's Price/Fair Value model with the stocks in the MSCI ACWI index split into 20 buckets with the same number of names in each bucket.

** Passive implementation Longs and Shorts offsets overlapping exposures.

The weights for the exposure in the Equity Dislocation Strategy reflect the rebalancing optimization which occurred at the start of January.

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EQUITY DISLOCATION STRATEGY

Portfolio characteristics

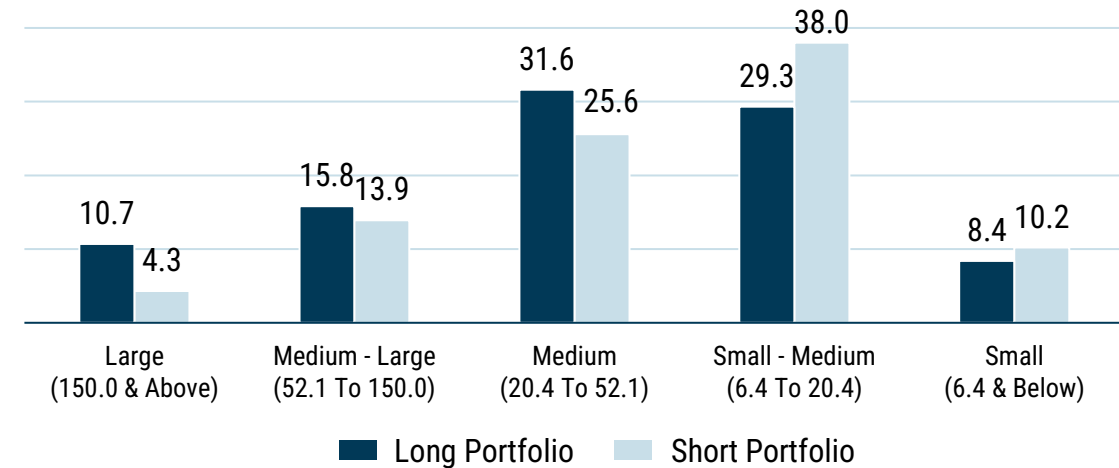
CHARACTERISTICS

	Long	Short
Price/Earnings - Hist 1 Yr Wtd Mdn	14.4x	54.7x
Price/Earnings - Forecast 1 Yr Wtd Mdn	11.1x	30.9x
Price/Cash Flow - Hist 1 Yr Wtd Mdn	8.9x	26.7x
Price/Book - Hist 1 Yr Wtd Mdn	1.6x	8.5x
Price/Sales - Hist 1 Yr Wtd Mdn	1.3x	5.6x
Return on Equity - Hist 1 Yr Mdn	12.2%	14.0%
Market Cap - Wtd Mdn Bil	25.0 USD	19.5 USD
Dividend Yield - Hist 1 Yr Wtd Avg	3.0%	1.2%
Number of Equity Holdings	213	188
% Long/Short	95.9%	92.0%

TOP 5 LONG HOLDINGS

Company	Country	Sector	% of Equity
Samsung Electronics Co Ltd	South Korea	Information Technology	1.23
General Motors Co	United States	Consumer Discretionary	1.09
Intel Corp	United States	Information Technology	1.09
Telecom Italia SpA/Milano	Italy	Communication Svcs	1.09
Banco Santander SA	Spain	Financials	1.04

MARKET CAP RANGES (%)



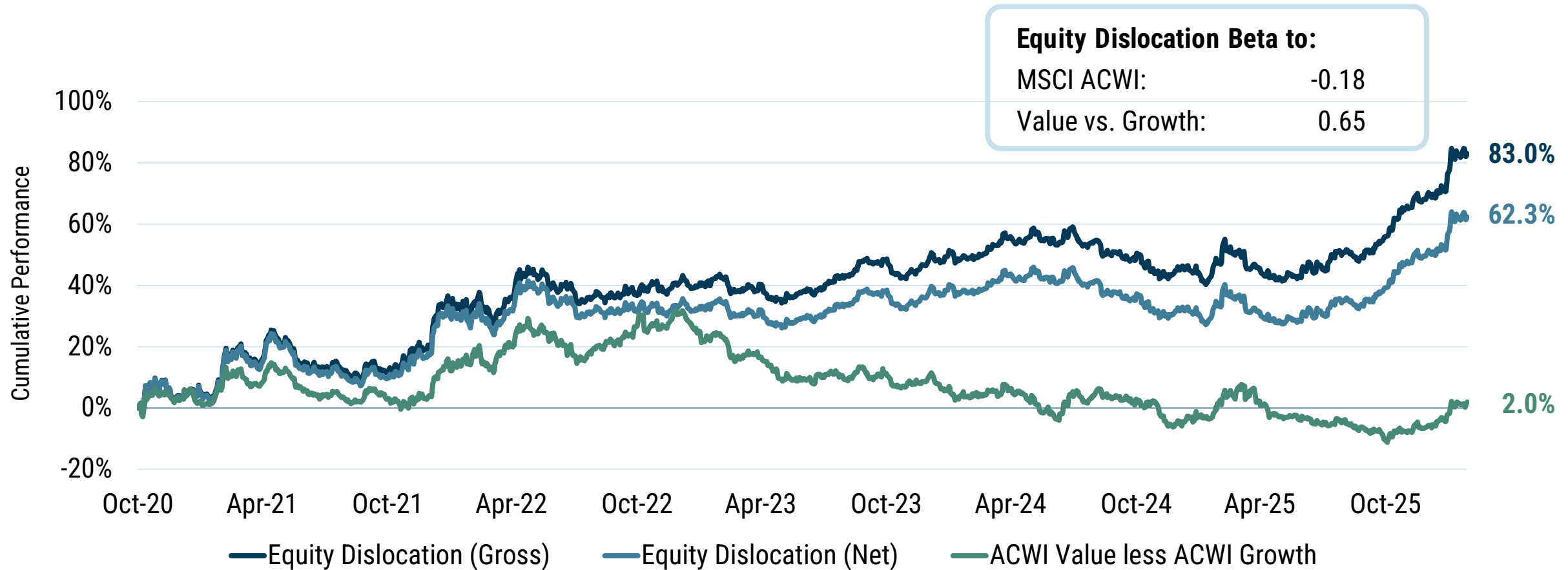
TOP 5 SHORT HOLDINGS

Company	Country	Sector	% of Equity
Texas Pacific Land Corp	United States	Financials	1.12
ONEOK Inc	United States	Energy	1.06
Korea Aerospace Industries Ltd	South Korea	Industrials	1.05
Linde PLC	United States	Materials	1.05
Disco Corp	Japan	Information Tech	1.04

As of 1/31/26 | Source: GMO

Portfolio characteristics are subject to change. 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.

EQUITY DISLOCATION STRATEGY SINCE LAUNCH



Data from 10/31/20 to 2/28/26

Performance data quoted represents past performance and is not predictive of future performance. Gross returns are presented gross of management fees and any incentive fees if applicable. Gross 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 fees were deducted performance would be lower. Net returns are presented after the deduction of a model advisory fee. Net 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. 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.

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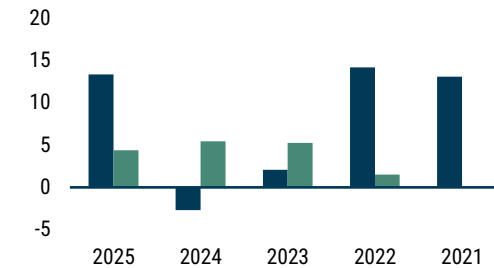
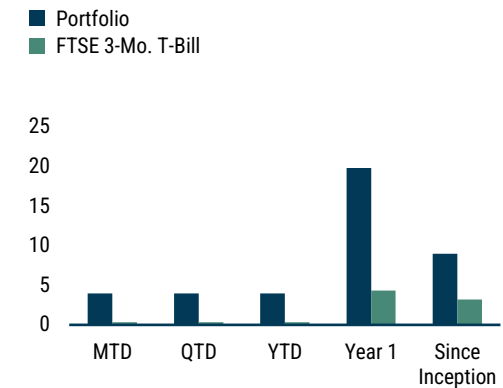
The above information is based on a representative account in the Strategy selected because it has the fewest restrictions and best represents the implementation of the Strategy.

EQUITY DISLOCATION STRATEGY

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

ANNUALIZED RETURNS (MONTH-END)	MTD	QTD	YTD	1-Year	3-Year	5-Year	10-Year	Since Inception
Equity Dislocation Strategy (net)	3.97	3.97	3.97	19.80	5.37	8.40	-	8.97
Equity Dislocation Strategy Alternate Net	3.36	3.36	3.36	20.38	6.68	8.82	-	9.25
FTSE 3-Mo. T-Bill	0.32	0.32	0.32	4.33	5.02	3.37	-	3.21
Value Add vs. FTSE 3-Mo. T-Bill	+3.65	+3.65	+3.65	+15.47	+0.35	+5.02	-	+5.76
Alternate Net Value Add vs. FTSE 3-Mo. T-Bill	+3.03	+3.03	+3.03	+16.05	+1.66	+5.44	-	+6.03

ANNUAL RETURNS	2025	2024	2023	2022	2021	2020
Equity Dislocation Strategy (net)	13.36	-2.70	2.09	14.18	13.10	3.85
Equity Dislocation Strategy Alternate Net	14.74	-1.12	3.75	13.08	11.93	3.32
FTSE 3-Mo. T-Bill	4.40	5.45	5.26	1.50	0.05	0.02
Value Add vs. FTSE 3-Mo. T-Bill	+8.96	-8.15	-3.16	+12.68	+13.06	+3.83
Alternate Net Value Add vs. FTSE 3-Mo. T-Bill	+10.34	-6.56	-1.51	+11.58	+11.89	+3.30



*As of 1/31/26 | Inception Date: 10/31/20

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 predictive of future performance. To obtain performance information to the most recent month-end, visit www.gmo.com. 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. A GIPS compliant presentation of composite performance has preceded this presentation in the past 12 months or accompanies this presentation, and is also available at www.gmo.com. Actual fees are disclosed in Part 2 of GMO's Form ADV and are also available in each strategy's compliant presentation. GMO LLC claims compliance with the Global Investment Performance Standards (GIPS®). A Global Investment Performance Standards (GIPS®) Composite Report is included in the Important Information section at the back of this presentation. 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 net of fee return is calculated using the highest base fee rate. The alternate net return is calculated using a reduced base fee rate plus incentive fee. The portfolio is actively-managed, is not managed relative to a benchmark and uses an index for performance comparison purposes only and, where applicable, to compute a performance fee. The FTSE 3-Month Treasury Bill Index is an independently maintained and widely published index comprised of short-term U.S. Treasury bills.

A HELPFUL OFFSET TO GROWTH DRAWDOWNS

On average, Equity Dislocation has generated +0.3% on NASDAQ down days

EQUITY DISLOCATION RALLIED IN PERIODS NASDAQ FELL >7%



Down Periods	NASDAQ	Equity Dislocation	Outperformance
2/12/21 – 3/8/21	-10.5%	16.3%	26.8%
9/7/21 – 10/4/21	-7.3%	3.2%	10.5%
4/26/21 – 5/12/21	-7.8%	9.1%	16.9%
11/19/21 – 3/14/22	-21.7%	20.9%	42.6%
3/29/22 – 6/16/22	-27.2%	10.2%	37.4%
8/15/22 – 10/14/22	-21.4%	4.7%	26.1%
12/1/22 – 12/28/22	-11.1%	1.2%	12.3%
2/2/23 – 3/10/23	-8.7%	1.8%	10.5%
7/19/23 – 10/27/23	-11.9%	7.0%	18.9%
7/10/24 – 8/7/24	-13.2%	0.7%	13.9%
2/19/25 – 4/8/25	-23.9%	3.4%	27.3%
11/3/25 – 11/20/25	-7.4%	4.2%	11.6%
Average	-14.3%	6.9%	21.2%

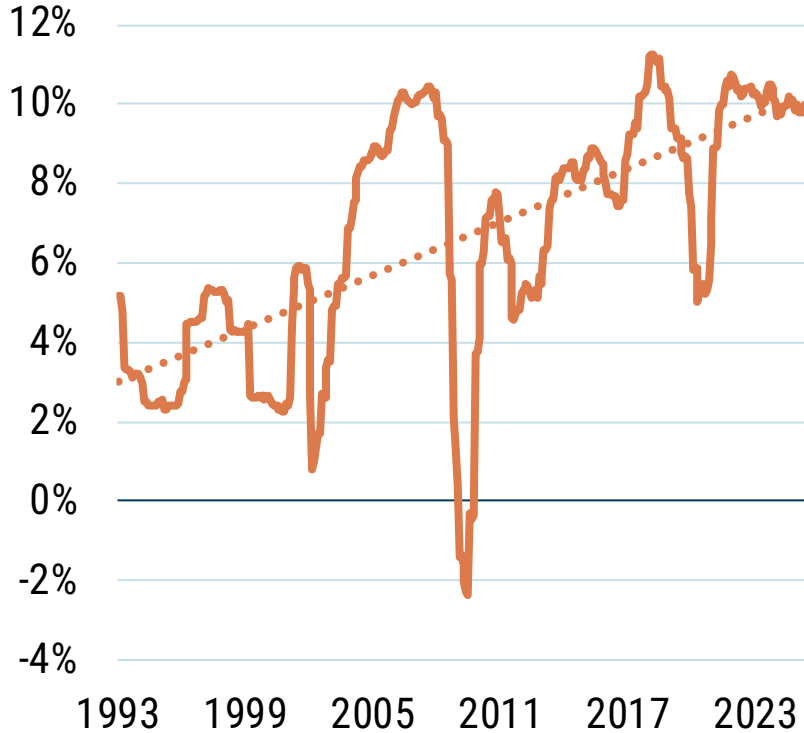
Returns from 10/30/20 (inception) to 12/17/25 | Source: GMO

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 included in the Important Information section at the back of this presentation. 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.

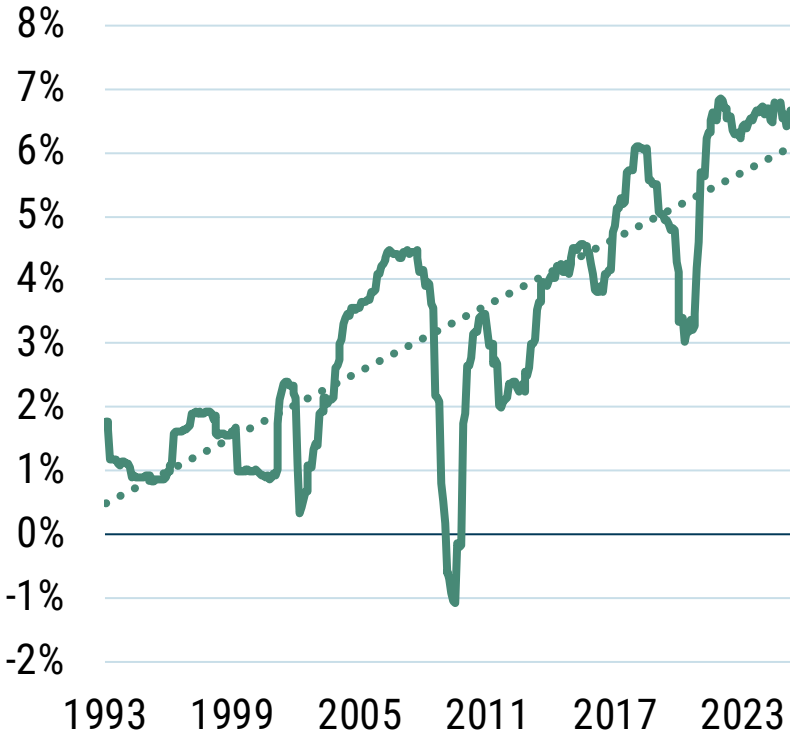
HUGE OPPORTUNITY IN IMPROVING EFFICIENCY

ROE is improving despite a significant drag from sales efficiency

RETURN ON EQUITY



NET INCOME MARGIN (RETURN ON SALES)



SALES EFFICIENCY



As of 12/31/25 | Source: GMO

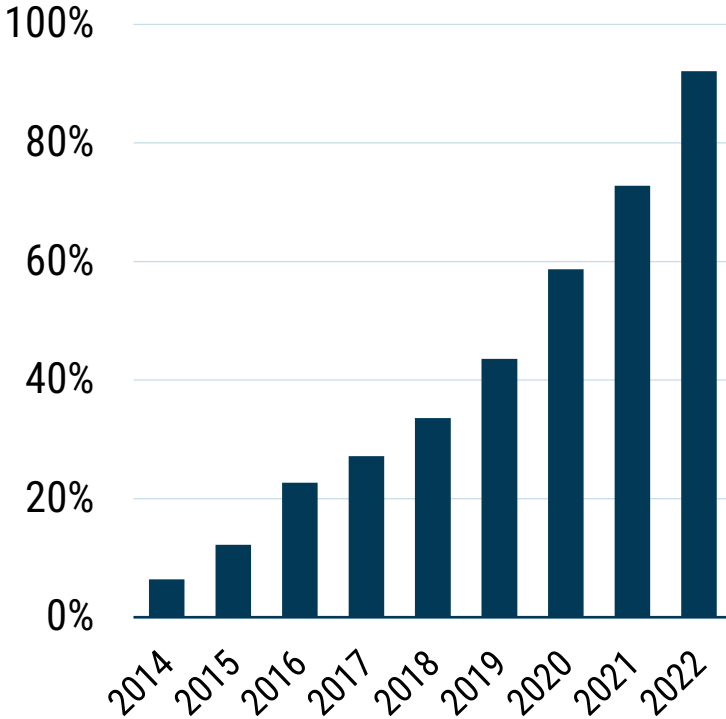
MSCI Japan ex FINS

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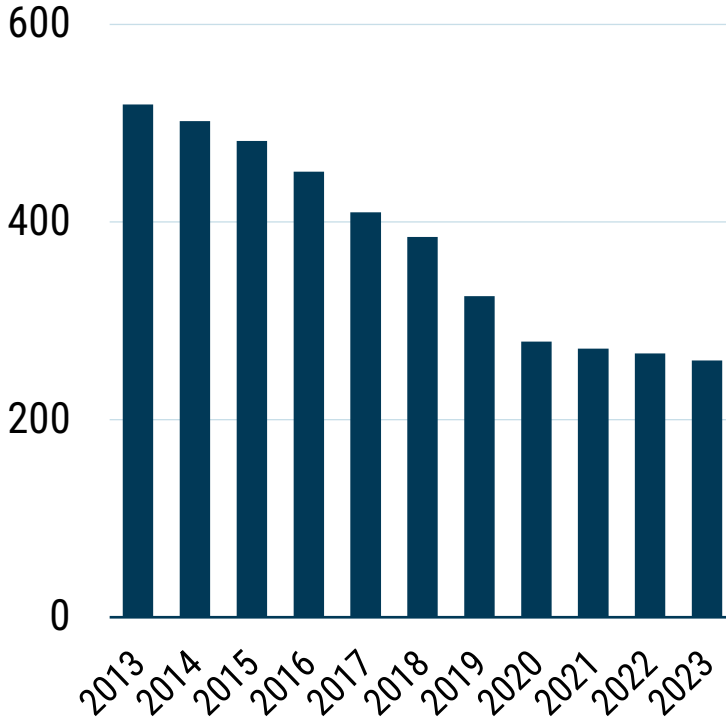
GROWING VOICE OF INSTITUTIONAL INVESTORS

More attention placed on fiduciary duties of institutional investors

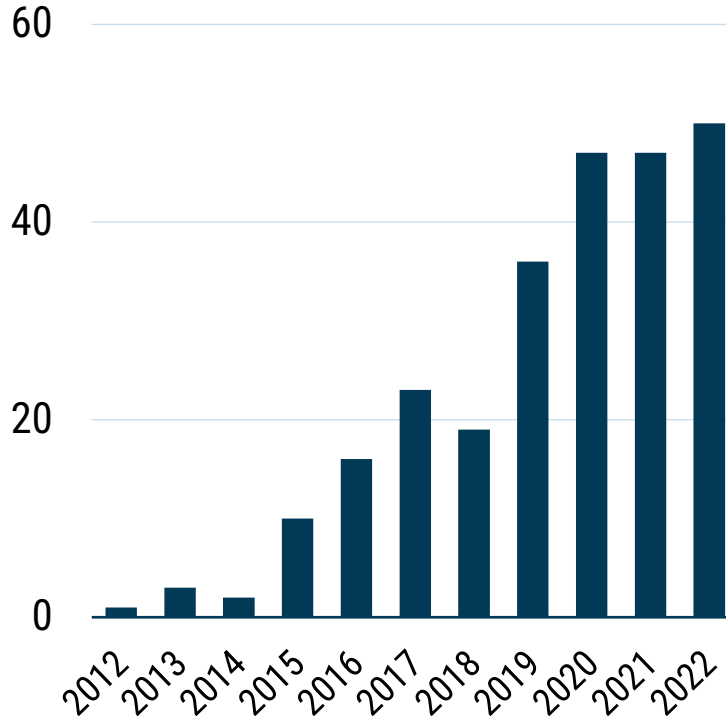
RATIO OF COMPANIES WITH 1/3 OR MORE INDEPENDENT DIRECTORS



NUMBER OF COMPANIES WITH POISON PILLS

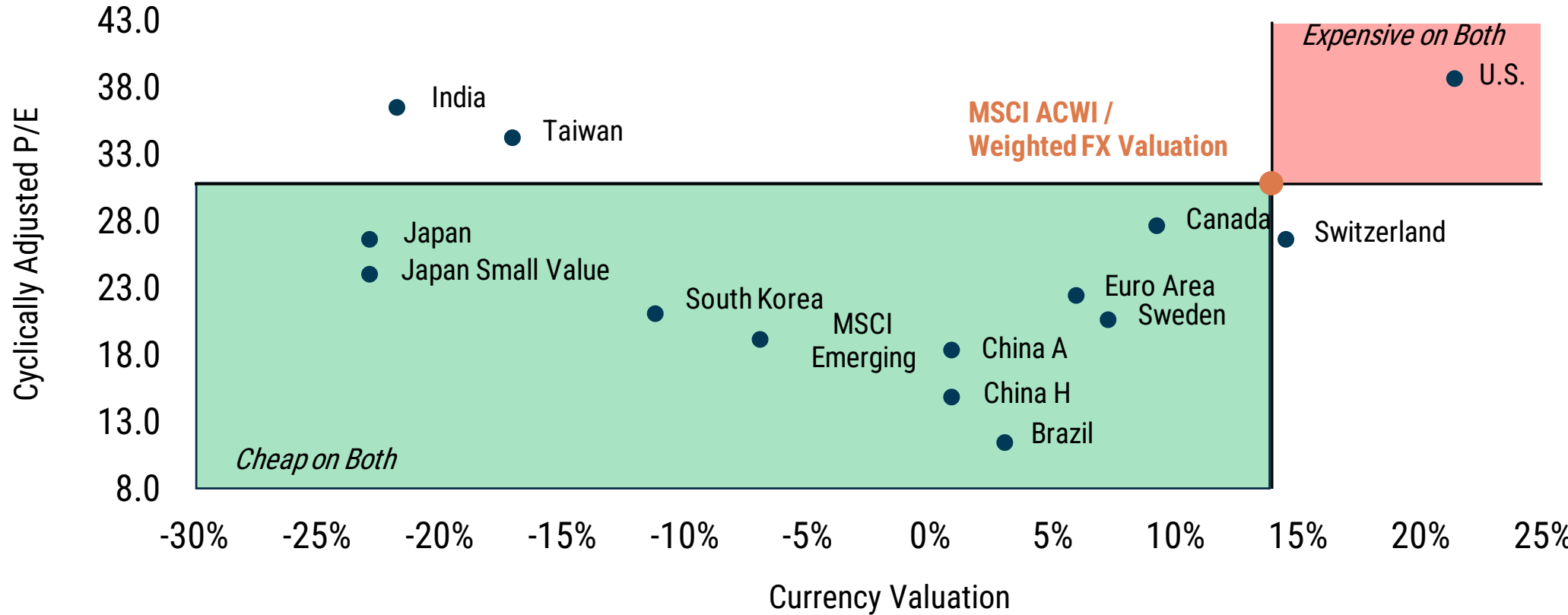


NUMBER OF ACTIVIST CAMPAIGNS



Source: TSE, JPX; IR Japan

EQUITY MARKET VALUATION AND CURRENCY VALUATION



As of 12/31/25 | Source: GMO

Currency valuations are measured relative to MSCI ACWI ex-U.S.

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THE OPPORTUNITY LIES IN VALUE AND SMALL

Small Value stocks are more attractively priced than normal

JAPAN SMALL VALUE TRADING AT AN UNUSUALLY WIDE DISCOUNT



As of 12/31/25 | Source: GMO
Price/Scale is based on multiple valuation metrics. Value represents the cheapest half of the market. Small represents the smallest third of the market-by-market capitalization.

ALTA ATTEMPTS TO MAXIMIZE LIKELIHOOD OF MEETING RETURN TARGET

ALTA seeks to deliver 4–6% above cash

ALTERNATIVE RETURN DRIVERS

- Value
- Carry
- Quality
- Momentum

PROVEN ALPHA

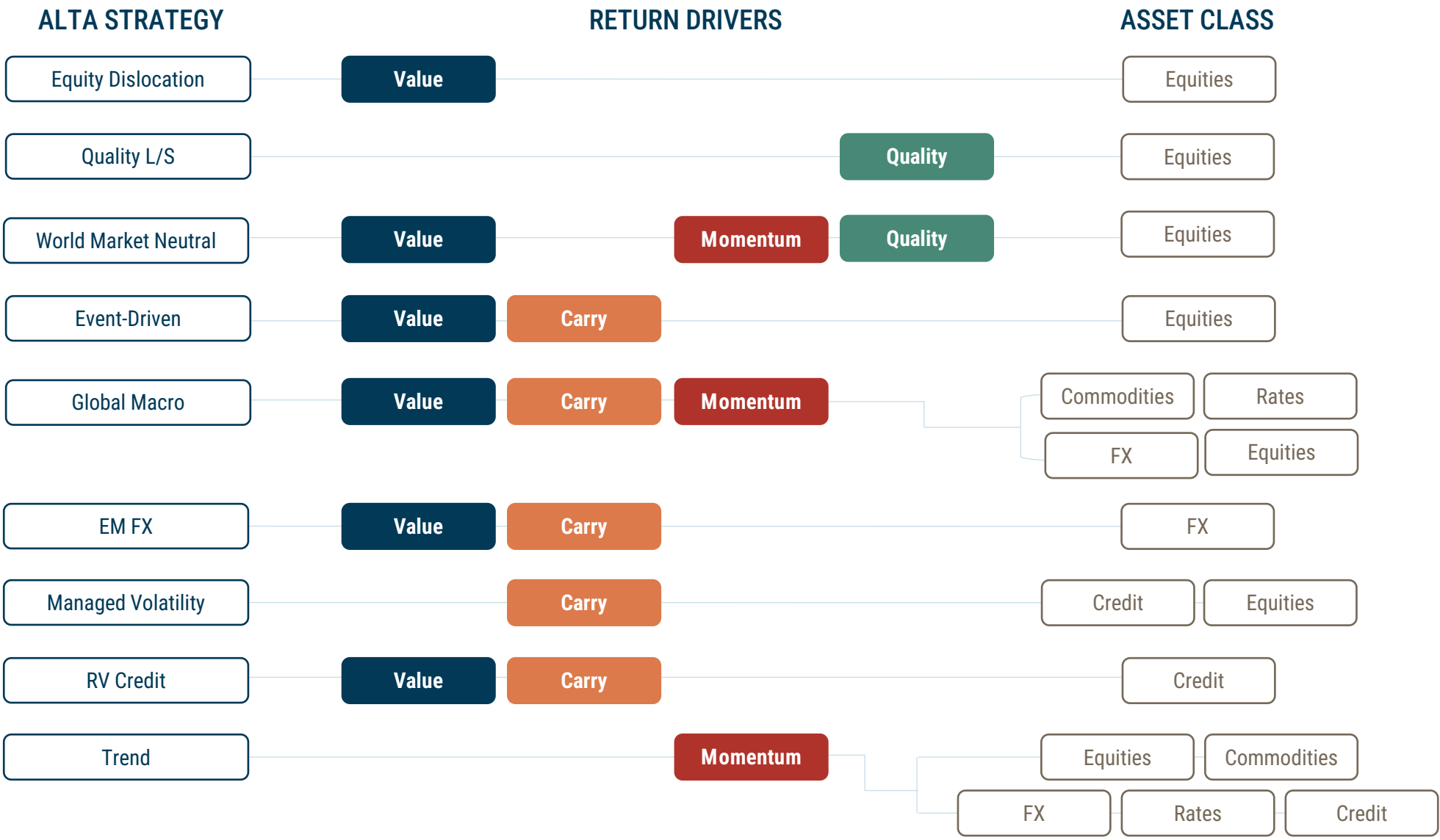
- Proven ability to add alpha across strategies
- Dynamic allocation
- Incorporates opportunistic ideas

EFFICIENT PACKAGING

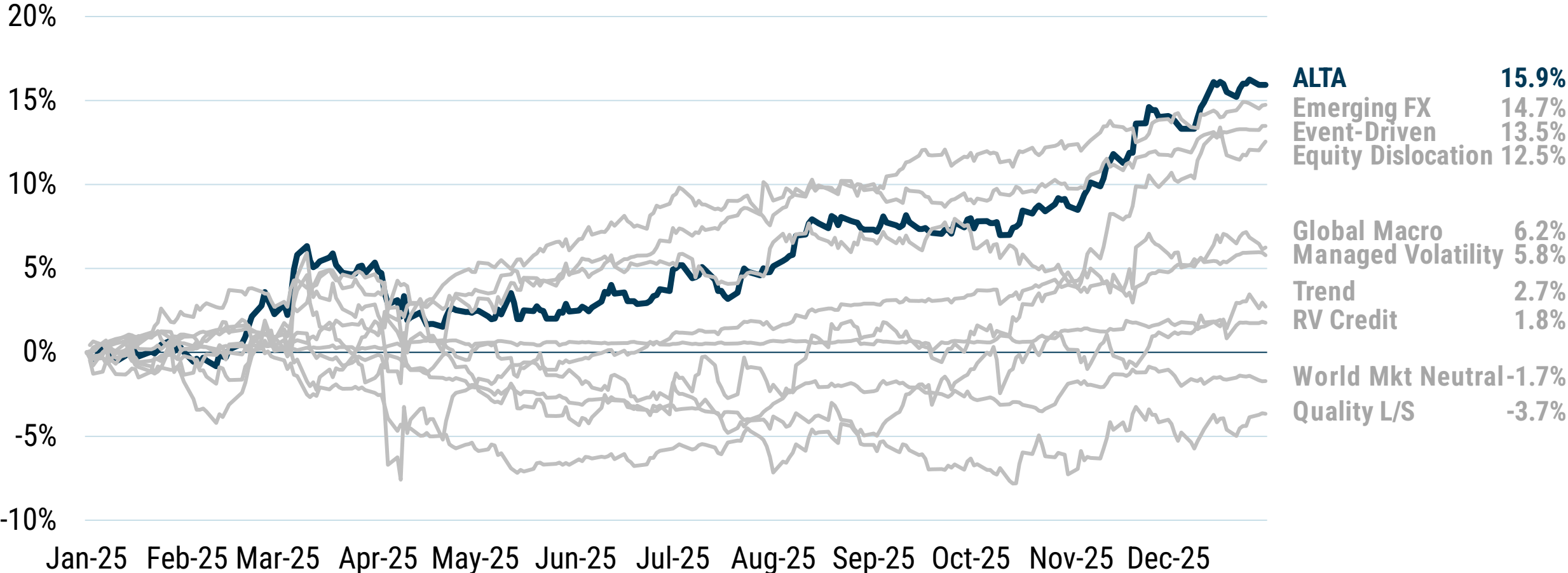
- More exposure for each \$1 invested
- Transparent flat management fee under 100bps.

The target returns presented herein are based on our analysis and are intended to provide an estimate of potential future performance. However, it is important to understand that these target returns are not guaranteed and are subject to various risks and uncertainties, including but not limited to market conditions, economic factors, and changes in regulatory environments. GMO's return targets assume the ability to identify and capture future investment opportunities, based on the prior experiences of the manager. Prospective returns may be impacted by heightened volatility, decreased liquidity, diminished investment opportunity set, and the sequencing of an investment in the Strategy, any of which may cause the relevant actual returns to differ materially from the target returns. Additionally, it can be expected that some or all such assumptions will not materialize or that actual facts will differ materially from such assumptions. Any change or inaccuracy in the assumptions will have a material impact on actual results, and it should not be assumed that any target returns shown herein will be achieved. Hypothetical returns have inherent limitations, and prospective investors should not rely on any hypothetical performance shown herein. No representation is made that any strategy or investor will or is likely to achieve the results shown. Actual results will differ and may be materially lower than the target shown herein.

DIVERSIFIED ACROSS RETURN DRIVERS AND ASSET CLASSES



YTD ATTRIBUTION AS OF DECEMBER 31, 2025: ALTERNATIVE ALLOCATION STRATEGY



Performance data quoted represents past performance and is not predictive of future performance. Net 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 to calculate composite net returns. Gross returns are presented gross of management fees and any incentive fees if applicable. Gross 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 fees were deducted performance would be lower. GMO does not yet have a GIPS-compliant report for this composite since it has not managed accounts in this strategy for a full year.

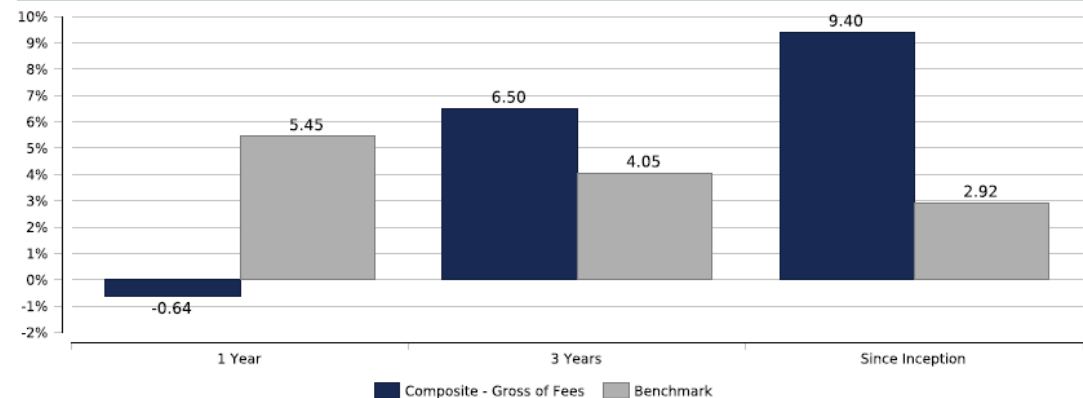
EQUITY DISLOCATION COMPOSITE (BASE FEE)

Reporting Date:	31 December 2024
Composite Inception Date:	31 October 2020
Reporting Currency:	USD
Benchmark:	FTSE 3-Mo. T-Bill

RETURNS SUMMARY

Period	Rates of Return (%)			3-Year Standard Deviation (%)		No. Of Portfolios	Dispersion	Composite AUM (million)	Firm AUM (million)
	Composite Gross of Fees	Composite Net of Fees	Benchmark	Composite	Benchmark				
2024	-0.64	-2.70	5.45	10.60	0.56	<=5	N/A	2,680.20	63,001.24
2023	4.26	2.09	5.26	11.92	0.66	<=5	N/A	2,825.00	58,198.96
2022	16.60	14.18	1.50	N/A	N/A	8	0.56	5,640.98	56,057.29
2021	15.50	13.10	0.05	N/A	N/A	8	0.32	4,351.14	68,170.55
2020 (from 31/10)	4.21	3.85	0.02	N/A	N/A	7	N/A	2,489.92	62,777.74

RETURN ANALYSIS BASED ON MOVING PERIODS* (*annualized returns above one year)



DISCLOSURES

The firm is defined as Grantham, Mayo, Van Otterloo & Co. LLC ("GMO"), an independent investment adviser registered under the Investment Advisers Act of 1940. Beginning January 1, 2012, the firm was expanded to include GMO UK Limited and GMO Australia Limited. Prior to January 1, 2012, GMO UK Limited and GMO Australia Limited were separate firms for GIPS compliance purposes.

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DISCLOSURES

GMO's policies for valuing investments, calculating performance, and preparing GIPS reports are available upon request. A complete list of composite and limited distribution pooled fund descriptions and list of broad distribution pooled funds is also available upon request.

As of 6/30/2025, the standard base fee only schedule for the private fund in the composite is 210bps on an advisory fee base less than \$5M USD, 195bps on an advisory fee base between \$5M and \$50M USD, and 180bps on an advisory fee base between \$50M and \$75M, and 165bps on an advisory fee base above \$75M. The private fund also offers investors a reduced base fee schedule with performance fee option, which is detailed on the next page. The total expense ratio for the private fund in 2024 was 82bps. Please see fund documents for additional details. The standard base fee only schedule for the UCIT fund in the composite is 210bps on an advisory fee base less than \$5M USD, 195bps on an advisory fee base between \$5M and \$50M USD, and 180bps on an advisory fee base between \$50M and \$75M USD, and 165bps on an advisory fee base above \$75M USD. The UCIT fund also offers investors a reduced base fee schedule with performance fee option, which is detailed on the next page. The total expense ratio for the most expensive class of the UCIT fund was 217bps in 2024. Please see fund documents for additional details. The net performance shown in this report is net of a model base fee only and is a representative return for investors that chose the base fee only option. This composite also includes fee schedules that offer a reduced base fee in addition to a performance fee. Net performance that reflects this fee arrangement is presented in the subsequent report.

The Equity Dislocation Composite includes portfolios seeking high total return by taking long and short positions in equity securities in markets throughout the world. The portfolios typically take positions that GMO believes exhibit substantial deviations from their fair value. In doing so, the strategy seeks to be near neutral in respect of its exposure to global equity markets. The composite was created in November 2020. The Composite was redefined to exclude carve-outs with their own cash balance effective 6/30/2024. Composite performance prior to 6/30/2024 includes carve-outs with their own cash balances.

The strategy is not limited in its use of derivatives and typically the impact is material. Both the use of derivatives and borrowing may cause a portfolio's gross investment exposure to be in excess of its net assets (i.e., leverage), which may subject a portfolio to a heightened risk of loss. During the period presented the strategy typically used swaps, and rights/warrants.

The internal dispersion of annual gross returns is measured by the equal-weighted standard deviation of account gross returns represented within the composite for the full year. For periods with five or fewer accounts included in the composite for the entire year, 'N/A' is noted as the dispersion is not considered meaningful. The three-year annualized standard deviation measures the variability of the gross composite and benchmark returns over the preceding 36-month period. For periods without 36 months of composite performance history, 'N/A' is provided for both the composite and its benchmark.

Performance results are presented both gross and net of investment advisory fees. The composite results are time-weighted rates of return net of commissions, transaction costs and withholding taxes on foreign income and capital gains. Returns for pooled funds included in the composite include securities lending income, if applicable. Returns for private funds included within the composite, if any, are net of any private fund operating expenses. Valuations and returns are calculated and expressed in U.S. dollars. All composite returns reflect the reinvestment of dividends and other earnings. Net composite returns are calculated using a model advisory fee by applying the highest standard fee schedule among portfolios in the composite to the composite's gross-of-fee returns on a monthly basis. Actual fees paid by any individual investor may be higher or lower than model advisory fees.

Past performance is not an indicator of future results.

The FTSE 3-Mo. TBill Index is an independently published and maintained index. This unmanaged index is provided to represent the investment environment existing during the time periods shown. The index does not reflect the deduction of advisory fees. It is not possible to invest directly in the index. The FTSE 3-Mo. TBill Index is an average of the last three months' Treasury-Bill issues. It reflects the monthly return equivalent of yield averages, which are not marked to market. It is calculated by FTSE, and is not actively managed.

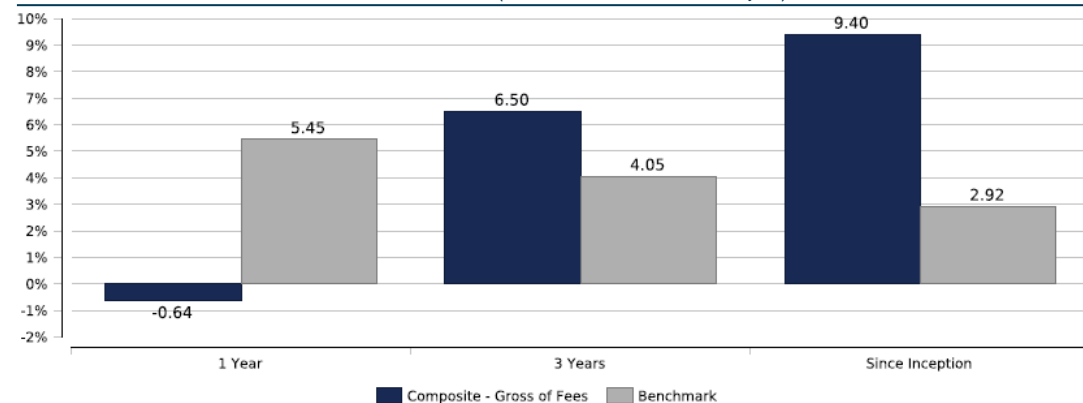
EQUITY DISLOCATION COMPOSITE (PERFORMANCE FEE)

Reporting Date:	31 December 2024
Composite Inception Date:	31 October 2020
Reporting Currency:	USD
Benchmark:	FTSE 3-Mo. T-Bill

RETURNS SUMMARY

Period	Rates of Return (%)			3-Year Standard Deviation (%)		No. Of Portfolios	Dispersion	Composite AUM (million)	Firm AUM (million)
	Composite Gross of Fees	Composite Net of Fees	Benchmark	Composite	Benchmark				
2024	-0.64	-1.13	5.45	10.60	0.56	<=5	N/A	2,680.20	63,001.24
2023	4.26	3.74	5.26	11.92	0.66	<=5	N/A	2,825.00	58,198.96
2022	16.60	13.08	1.50	N/A	N/A	8	0.56	5,640.98	56,057.29
2021	15.50	11.93	0.05	N/A	N/A	8	0.32	4,351.14	68,170.55
2020 (from 31/10)	4.21	3.32	0.02	N/A	N/A	7	N/A	2,489.92	62,777.74

RETURN ANALYSIS BASED ON MOVING PERIODS* (*annualized returns above one year)



DISCLOSURES

The firm is defined as Grantham, Mayo, Van Otterloo & Co. LLC ("GMO"), an independent investment adviser registered under the Investment Advisers Act of 1940. Beginning January 1, 2012, the firm was expanded to include GMO UK Limited and GMO Australia Limited. Prior to January 1, 2012, GMO UK Limited and GMO Australia Limited were separate firms for GIPS compliance purposes.

Grantham, Mayo, Van Otterloo & Co. LLC claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Grantham, Mayo, Van Otterloo & Co. LLC has been independently verified for the periods 31/12/1992 - 31/12/2024. The verification reports are available upon request. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. Verification does not provide assurance on the accuracy of any specific performance report. GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.

DISCLOSURES

GMO's policies for valuing investments, calculating performance, and preparing GIPS reports are available upon request. A complete list of composite and limited distribution pooled fund descriptions and list of broad distribution pooled funds is also available upon request.

As of 6/30/2025, the standard reduced base fee schedule for the private fund in the composite is 50bps on an advisory fee base less than \$5M, 35bps on an advisory fee base between \$5M and \$50M, and 20bps above \$50M with a 20% performance fee over the benchmark. The total expense ratio for the private fund was 82bps in 2024. Please see fund documents for additional details. The standard reduced base fee schedule for the UCIT fund in the composite is 35bps on an advisory fee base less than or equal to \$50M and 20bps on an advisory fee base above \$50M, and a 20% performance fee over the benchmark. The total expense ratio for the most expensive share class of the UCIT fund was 217bps in 2024. The net performance shown in this report is net of a model base fee as well as a model performance fee and is a representative return for investors that chose the reduced base fee with performance fee option. This composite also includes fee schedules that offer a flat base fee only option with no performance fee.

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