

# QUALITY INVESTMENT SGD CLASS

## OVERVIEW

The GMO Quality Investment Fund seeks to generate total return by investing primarily in equities the Focused Equity team believes to be of high quality.

The team believes that companies with established track records of historical profitability and strong fundamentals – high quality companies – are able to outgrow the average company over time and are therefore worth a premium price. The Fund's disciplined approach uses both quantitative and fundamental techniques to assess the relative quality and valuation of global companies and aims to exploit a long-term investment horizon while withstanding short-term volatility.

## CUMULATIVE TOTAL RETURNS (SGD, NET OF FEES, %)

|                 | <i>MTD</i> | <i>QTD</i> | <i>YTD</i> | <i>2023</i> | <i>2022</i> | <i>2021</i> |
|-----------------|------------|------------|------------|-------------|-------------|-------------|
| SGD Class       | 4.47       | 4.00       | 17.92      | 26.93       | -16.02      | 2.35        |
| Index           | 2.30       | 3.09       | 14.81      | 21.75       | -18.56      | 0.83        |
| Alternate Index | 3.82       | 4.61       | 18.20      | 23.60       | -18.93      | 0.81        |

## ANNUALIZED TOTAL RETURNS (SGD, NET OF FEES, %)

|                 | <i>1 Year</i> | <i>3 Years</i> | <i>5 Years</i> | <i>10 Years</i> | <i>ITD</i> |
|-----------------|---------------|----------------|----------------|-----------------|------------|
| SGD Class       | 22.93         | –              | –              | –               | 10.24      |
| Index           | 20.36         | –              | –              | –               | 5.48       |
| Alternate Index | 24.17         | –              | –              | –               | 7.10       |

## FACTS

|                     |               |
|---------------------|---------------|
| Class               | SGD Class     |
| ISIN                | IE00BN15TB84  |
| Class Inception     | 29-Nov-21     |
| Fund Inception      | 10-Nov-10     |
| Total Assets        | \$3.3bn USD   |
| Management Fee      | 0.48% p.a.    |
| Pricing Frequency   | Daily         |
| SFDR Classification | Article 6     |
| Index               | MSCI World    |
| Alternate Index     | S&P 500 (Net) |

## RISK PROFILE (5-YEAR TRAILING)

|                    |       |
|--------------------|-------|
| Alpha (Jensen's)   | 4.63  |
| Beta               | 0.91  |
| R Squared          | 0.94  |
| Sharpe Ratio       | 0.81  |
| Standard Deviation | 16.50 |

## PORTFOLIO MANAGEMENT



**Tom Hancock**  
Joined GMO in 1995  
MS, Rensselaer  
Polytechnic Institute;  
PhD, Harvard University



**Ty Cobb, CFA**  
Joined GMO in 1997  
MS, Suffolk University



**Anthony Hene, CFA**  
Joined GMO in 1995  
MS, University of Oxford

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## CHARACTERISTICS

|  | <i>Portfolio</i> | <i>Index</i> | <i>Alternate Index</i> |
|--|------------------|--------------|------------------------|
| Price/Earnings - Forecast 1 Yr Wtd Mdn   | 22.6x            | 22.8x        | 24.0x                  |
| Return on Equity - Forecast 1 Yr Wtd Mdn | 26.7%            | 22.2%        | 26.7%                  |
| Dividend Yield - Hist 1 Yr Wtd Avg       | 1.4%             | 1.8%         | 1.3%                   |
| Free Cash Flow Yield - Hist 1 Yr Wtd Avg | 3.3%             | 3.7%         | 3.1%                   |
| Market Cap - Wtd Mdn Bil                 | 212.1 USD        | 135.4 USD    | 260.7 USD              |
| Number of Equity Holdings                | 43               | 1407         | 497                    |
| Net Debt/EBITDA - Hist 1 Yr Wtd Mdn      | 0.2x             | 0.5x         | 0.3x                   |

## SECTORS (%)

| <i>Sector</i>          | <i>Portfolio</i> | <i>Index</i> | <i>Alternate Index</i> |
|------------------------|------------------|--------------|------------------------|
| Communication Services | 8.7              | 7.8          | 9.3                    |
| Consumer Discretionary | 9.9              | 10.2         | 10.0                   |
| Consumer Staples       | 10.4             | 6.3          | 5.8                    |
| Energy                 | 0.0              | 4.3          | 3.6                    |
| Financials             | 6.9              | 14.8         | 12.4                   |
| Health Care            | 23.6             | 11.8         | 11.7                   |
| Industrials            | 5.8              | 10.7         | 8.1                    |
| Information Technology | 34.8             | 25.9         | 32.4                   |
| Materials              | 0.0              | 3.7          | 2.2                    |
| Real Estate            | 0.0              | 2.1          | 2.2                    |
| Utilities              | 0.0              | 2.4          | 2.3                    |

## MARKET CAP BAND EXPOSURES (\$B)

|                                | <i>Portfolio</i> | <i>Index</i> | <i>Alternate Index</i> |
|--------------------------------|------------------|--------------|------------------------|
| Small (5.3 & Below)            | 0.0              | 1.1          | 0.1                    |
| Small - Medium (5.3 To 15.8)   | 1.5              | 7.6          | 2.5                    |
| Medium (15.8 To 40.0)          | 3.7              | 14.9         | 10.6                   |
| Medium - Large (40.0 To 116.4) | 13.5             | 23.5         | 19.0                   |
| Large (116.4 & Above)          | 81.3             | 52.9         | 67.9                   |

## TOP COUNTRIES (%)

| <i>Country</i> | <i>Portfolio</i> | <i>Index</i> | <i>Alternate Index</i> |
|----------------|------------------|--------------|------------------------|
| United States  | 76.4             | 72.1         | 100.0                  |
| United Kingdom | 6.6              | 3.7          | 0.0                    |
| France         | 4.2              | 2.8          | 0.0                    |
| Germany        | 3.5              | 2.2          | 0.0                    |
| Taiwan         | 3.5              | 0.0          | 0.0                    |
| Cash           | 2.8              | 0.0          | 0.0                    |
| Switzerland    | 2.4              | 2.4          | 0.0                    |
| Spain          | 0.6              | 0.7          | 0.0                    |
| Australia      | 0.0              | 1.9          | 0.0                    |
| Austria        | 0.0              | 0.0          | 0.0                    |

## REGIONS (%)

| <i>Region</i>    | <i>Portfolio</i> | <i>Index</i> | <i>Alternate Index</i> |
|------------------|------------------|--------------|------------------------|
| United States    | 76.4             | 72.1         | 100.0                  |
| Europe           | 17.3             | 16.4         | 0.0                    |
| Rest of World    | 3.5              | 11.5         | 0.0                    |
| Cash Equivalents | 2.8              | 0.0          | 0.0                    |

## TOP HOLDINGS

| <i>Company</i>                            | <i>Sector</i>          | <i>%</i>    |
|---|------------------------|-------------|
| Microsoft Corp                            | Information Technology | 6.7         |
| Apple Inc                                 | Information Technology | 5.1         |
| Alphabet Inc                              | Communication Services | 4.7         |
| Meta Platforms Inc                        | Communication Services | 4.0         |
| UnitedHealth Group Inc                    | Health Care            | 4.0         |
| Taiwan Semiconductor Manufacturing Co Ltd | Information Technology | 3.6         |
| Johnson & Johnson                         | Health Care            | 3.3         |
| SAP SE                                    | Information Technology | 3.3         |
| Lam Research Corp                         | Information Technology | 3.2         |
| Oracle Corp                               | Information Technology | 3.2         |
| <b>Total</b>                              |                        | <b>41.1</b> |

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## IMPORTANT INFORMATION

**Index(es):** 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. The S&P 500 (Net) Index is an independently maintained and widely published index comprised of U.S. large capitalization stocks. The return reflects the dividend reinvestment after the deduction of withholding tax. 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.

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This advertisement has not been reviewed by the Monetary Authority of Singapore.

## GLOSSARY

**Risk Statistics:** Risk profile data is net of fees. Alpha is a measure of risk-adjusted return. Beta is a measure of a portfolio's sensitivity to the market. R-Squared is a measure of how well a portfolio tracks the market. 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.

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

## 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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