

# EMERGING MARKETS SELECT EQUITY

## OVERVIEW

GMO's Emerging Markets Select Equity Strategy seeks to outperform the MSCI Emerging Markets index by identifying secular growth trends in emerging markets and investing in quality businesses with pricing power that will benefit from those trends. We believe that the best way to capture opportunities and manage risk in emerging markets today is by balancing quality and sustainable growth across both companies and countries, using a fundamental approach that combines top-down country and sector allocation with bottom-up security selection.

Environmental, Social, and Governance issues have become increasingly relevant with emerging markets over the past several years. We view sustainability as an essential element of quality and integrate it at all levels of our analysis.

## PORTFOLIO MANAGEMENT



Warren Chiang, CFA  
Joined GMO in 2015  
MBA, University of California  
Berkeley



Arjun Divecha  
Joined GMO in 1993  
MBA, Cornell University

**Risks:** Risks associated with an investment in the Strategy are Market Risk - Equities, Non-U.S. Investment Risk, Currency Risk, Management and Operational Risk, and Illiquidity Risk. Returns shown for periods greater than one year are on an annualized basis. To obtain performance information to the most recent month-end, visit [www.gmo.com](http://www.gmo.com). **Performance Returns:** The performance information (before and after taxes) for all periods prior to October 26, 2022, was achieved prior to the change in the Strategy's investment objective and principal investment strategies, effective October 26, 2022. **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](http://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.**

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## IMPORTANT INFORMATION

### Benchmark(s):

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:** The Emerging Domestic Opportunities strategy does not have a benchmark. The Strategy has been compared to the MSCI Emerging Markets Index in an effort to compare and contrast the Strategy versus a broad emerging markets index.

**Country Exposures:** The Emerging Domestic Opportunities strategy does not have a benchmark. The Strategy has been compared to the MSCI Emerging Markets Index in an effort to compare and contrast the Strategy versus a broad emerging markets index. Weights are based on exposure, which will include the impact from derivatives held, if any. 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.

**Currency Exposures:** The Emerging Domestic Opportunities strategy does not have a benchmark. The Strategy has been compared to the MSCI Emerging Markets Index in an effort to compare and contrast the Strategy versus a broad emerging markets index. Weights are based on exposure, which will include the impact from hedges held, if any. 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.

**Risk Statistics:** Risk profile data is net of fees. The Emerging Domestic Opportunities strategy does not have a benchmark. The Strategy has been compared to the MSCI Emerging Markets Index in an effort to compare and contrast the Strategy versus a broad emerging markets index.

**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. The Emerging Domestic Opportunities strategy does not have a benchmark. The Strategy has been compared to the MSCI Emerging Markets Index in an effort to compare and contrast the Strategy versus a broad emerging markets index.

**Top Holdings:** GICS Sector 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.

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