

QUARTERLY INVESTMENT REVIEW

Emerging Country Debt UCITS Fund

Performance returns (USD)

ANNUALIZED RETURNS (QUARTER-END)	Quarter-End	YTD	1-Year	3-Year	5-Year	10-Year	Since Inception
Emerging Country Debt UCITS Fund (net)	5.15	5.15	18.54	1.69	–	–	5.67
Emerging Country Debt UCITS Fund (gross)	5.21	5.21	18.83	1.98	–	–	5.97
J.P. Morgan EMBI Global Diversified	2.04	2.04	11.28	-1.39	–	–	2.99
Value Add	+3.11	+3.11	+7.27	+3.08	–	–	+2.68

Major Performance Drivers

The J.P. Morgan EMBI Global Diversified (EMBIG-D) index returned 2.0% in the first quarter of 2024. Driving index gains, the benchmark's spread over Treasuries tightened by 42 bps, finishing at 342 bps and resulting in a 3.2% spread return. Meanwhile, the 10-year Treasury yield rose by 32 bps to 4.20%, resulting in a -1.2% interest rate return.

The portfolio had positive alpha from both country selection and security selection in the first quarter. Within country selection, the portfolio's overweight positions in Ecuador (+51.5% total return, the EMBIG-D's best performer for the quarter) and Argentina (+25.9% total return) drove gains. Overweight positions in Egypt (+22.2%) and Tunisia (+17.3%) and an underweight in Qatar (-1.2%) also contributed positively. While unable to fully offset gains, overweight positions in Colombia (-2.4%) and South Africa (-3.1%) detracted from country selection alpha.

Within security selection, positive contributions to alpha came from the choice of holdings in Peru, Suriname, and Indonesia, more than offsetting losses from the choice of holdings in Turkey, Pakistan, and Egypt. Off-benchmark countries also contributed positively, driven by the portfolio's holdings in Belarus and Republic of the Congo, which more than offset the negative effects from the portfolio's holdings in Israel.

Entering the second quarter, the portfolio's largest overweights are Argentina, Bahrain, and Jordan, while the largest underweights are China, Qatar, and the United Arab Emirates. The portfolio had a few notable changes in country exposures during the quarter. In duration-adjusted terms, its exposure to Egypt, Turkey, and Argentina grew, while its exposure to Saudi Arabia, Ivory Coast, and South Africa decreased.

Inception Date: 1-Apr-20

Performance for the year of inception is less than a full calendar year. Returns shown for periods less than one year are not annualized.

This is a marketing communication. This is not a contractually binding document. Please refer to the prospectus and to the KIID/PRIIPS KID and do not base any final investment decision on this communication alone. **Risks:** Risks associated with investing in the Fund may include: Credit Risk, Market Risk - Fixed Income, Illiquidity Risk, Derivatives and Short Sales Risk, and Counterparty Risk. For a more complete discussion of these risks and others, please consult the Fund's prospectus. 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 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. The local market in which the Fund is priced was closed for Good Friday on March 29, 2024. Therefore, the performance for the fund and corresponding benchmark will utilize March 28 for purposes of the ending valuation for the March return and the starting valuation for the April return. 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.

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PRODUCT OVERVIEW

The GMO Emerging Country Debt UCITS Fund's objective is total return in excess of that of its benchmark, the J.P. Morgan Emerging Markets Bond Global Diversified Index (EMBIG-D). The Fund invests primarily in external debt of sovereigns and quasi-sovereigns.

GMO's Emerging Country Debt team focuses on bottom-up issue selection, seeking to find issues with similar default characteristics but better long-term total return potential than the issues in EMBIG-D. We believe that our approach provides long-term, value-oriented clients with the best chance for total return in this asset class and differentiates us from other emerging debt managers who focus on economic forecasting, market timing, and other macro/top-down approaches.

IMPORTANT INFORMATION

Benchmark(s): The J.P. Morgan EMBI (Emerging Markets Bond) Global Diversified Index is an independently maintained and widely published uniquely weighted U.S. dollar-denominated emerging markets sovereign index comprised of Brady bonds, Eurobonds, traded loans, and market debt instruments issued by sovereign and quasi-sovereign entities.

An investor should consider the fund's investment objectives, risks, charges and expenses before investing. This and other important information can be found in the funds prospectus. To obtain a prospectus please visit www.gmo.com. Read the prospectus carefully before investing.

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Investors and potential investors can also obtain the prospectus and key investor information, in English and other languages, and a summary of investor rights and information on access to collective redress mechanisms at the following website: <https://www.gmo.com/europe/product-index-page/fixed-income/emerging-country-debt-strategy/emerging-country-debt-ucits-fund/>

Please note that GMO Investments ICAV and GMO Funds PLC may decide to terminate the arrangements made for the marketing of the sub-funds in one or more EU member states pursuant to the UCITS marketing passport in accordance with the procedure provided for under the applicable laws that implement Article 93a of Directive 2009/65/EC (the UCITS Directive).

A full list of fees and charges applied to investment can be found in the prospectus and in the KIID/PRIIPS KID, available at: <https://www.gmo.com/europe/product-index-page/fixed-income/emerging-country-debt-strategy/emerging-country-debt-ucits-fund/>

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

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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