

EMERGING COUNTRY LOCAL DEBT

OVERVIEW

The GMO Emerging Country Local Debt Strategy's objective is total return in excess of its benchmark, the J.P. Morgan Government Bond Index - Emerging Markets Global Diversified (GBI-EMGD). The Strategy invests in local currency emerging debt.

GMO's Emerging Country Debt team focuses on bottom-up issue selection within sovereign and quasi-sovereign issuers with an emphasis on finding fundamental value, also employing advanced quantitative techniques to assess value across global emerging and frontier interest rate and currency markets. We believe that our approach provides our clients with the best chance for long-term success in this asset class and differentiates us from other emerging debt managers who focus on top-down timing elements.

CUMULATIVE TOTAL RETURNS (USD, NET OF FEES, %)

	<i>MTD</i>	<i>QTD</i>	<i>YTD</i>	<i>2023</i>	<i>2022</i>	<i>2021</i>	<i>2020</i>	<i>2019</i>
Composite	-0.93	-5.75	-0.02	24.18	-10.70	-6.56	0.55	15.83
Benchmark	-0.57	-5.16	-0.46	12.70	-11.69	-8.75	2.69	13.47

ANNUALIZED TOTAL RETURNS (USD, NET OF FEES, %)

	<i>1 Year</i>	<i>3 Years</i>	<i>5 Years</i>	<i>10 Years</i>	<i>ITD</i>
Composite	6.33	3.93	1.62	1.31	1.83
Benchmark	2.73	0.20	-0.67	0.02	1.80

FACTS

Strategy Inception	31-Jan-08
Composite Inception	29-Feb-08
Total Assets	\$69mm USD
Benchmark	J.P. Morgan GBI-EM Global Diversified+

RISK PROFILE (5-YEAR TRAILING)

Alpha (Jensen's)	2.65
Beta	1.11
R Squared	0.94
Sharpe Ratio	-0.07
Standard Deviation	13.09

PORTFOLIO MANAGEMENT



Tina Vandersteel, CFA
Joined GMO in 2004
BA, Washington & Lee
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Victoria Courmes
Joined GMO in 2016
MA, John Hopkins
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Risks: Risks associated with investing in the Strategy may include: (1) Non-U.S. Investment Risk: The market prices of many non-U.S. securities (particularly of companies tied economically to emerging countries) fluctuate more than those of U.S. securities. Many non-U.S. markets (particularly emerging markets) are less stable, smaller, less liquid, and less regulated than U.S. markets, and the cost of trading in those markets often is higher than it is in U.S. markets. (2) Focused Investment Risk: The Fund invests its assets in the securities of a limited number of issuers, and a decline in the market price of a particular security held by the Fund may affect the Fund's performance more than if the Fund invested in the securities of a larger number of issuers. (3) Currency Risk: Fluctuations in exchange rates can adversely affect the market value of the Fund's non-U.S. currency holdings and investments denominated in non-U.S. currencies. For a more complete discussion of these risks and others, please consult the Fund's Prospectus. For a more complete discussion of these risks and others, please consult the Fund's offering documents. This is not a complete list of risks associated with investing in the Strategy. Please contact GMO for more information. **Performance Returns:** 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 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 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.** Returns for the composite are based on estimated market values for the period from and including October 2008 through February 2009.

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CHARACTERISTICS

	<i>Portfolio</i>	<i>Benchmark</i>
Modified Duration	5.1	5.2
Portfolio Turnover	130%	57%
# of FX Positions	27	20
# of Credit Markets	22	20
# of Interest-Rate Markets	23	20
USD	-2%	0%

INTEREST RATE MARKETS (CONTRIBUTION TO DURATION)

<i>Country</i>	<i>Portfolio</i>	<i>Benchmark</i>
Malaysia	0.7	0.7
South Africa	0.7	0.5
Indonesia	0.6	0.5
China	0.5	0.6
Mexico	0.4	0.5
India	0.4	0.4
Brazil	0.4	0.2
Romania	0.4	0.1
Colombia	0.3	0.2
Thailand	0.2	0.6

SECTORS (%)

<i>Sector</i>	<i>Portfolio</i>	<i>Benchmark</i>
Quasi-Sovereign	13.6	0.0
Sovereign	86.4	100.0

TOP CURRENCIES (%)

<i>Currency</i>	<i>Portfolio</i>	<i>Benchmark</i>
MXN	12.8	10.0
IDR	10.8	10.0
ZAR	10.7	8.6
MYR	10.0	10.0
THB	9.5	9.1
BRL	9.4	7.5
CNY	7.7	10.0
PLN	6.3	7.4
CZK	5.2	5.4
INR	4.9	6.0

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IMPORTANT INFORMATION

Benchmark(s): The J.P. Morgan GBI-EM Global Diversified + Index is comprised of the J.P. Morgan GBI-EM Diversified Index through 8/31/2012 and the J.P. Morgan GBI-EM Global Diversified Index thereafter.

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

Fixed Income Characteristics: Turnover is as of the most recent quarter-end.

Country Contribution to Duration: Country contribution to duration is measure of each country's contribution to the overall portfolio duration.

Credit Ratings: The credit ratings above may encompass emerging debt, developed rates, and asset-backed exposure. Ratings for core portfolio holdings are derived by using the middle rating from Standard & Poor's, Moody's, and Fitch. Ratings for core holdings were adjusted during the January 2021 reporting period to conform with index provider methodology. Ratings for the emerging debt portion of the portfolio are derived by applying the Standard and Poor's or Moody's issue-level ratings (sequentially), and the S&P LT Foreign currency (FC) country issuer rating for the FC debt securities and/or S&P LT Local currency (LC) country issuer rating for LC securities where a security is not rated by either of the abovementioned credit rating agencies. Final credit ratings are expressed based upon Standard and Poor's ratings scale. Standard & Poor's rates securities from AAA (highest quality) to C (lowest quality), and D to indicate securities in default; some securities are not rated (NR). BB and below are considered below investment grade securities. Please refer to our website for additional information: <https://www.gmo.com/americas/benchmark-disclaimers/>

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.

CURRENCY KEY

ARS: Argentina	CNY: China	GHS: Ghana	ILS: Israel	MXN: Mexico	PHP: Philippines	RUB: Russia	TWD: Taiwan
BRL: Brazil	CZK: Czech Republic	HKD: Hong Kong	INR: India	MYR: Malaysia	PLN: Poland	SGD: Singapore	UAH: Ukraine
CLP: Chile	DOP: Dominican Republic	HUF: Hungary	KRW: South Korea	NGN: Nigeria	RON: Romania	THB: Thailand	UYU: Uruguay
COP: Colombia	EGP: Egypt	IDR: Indonesia	KZT: Kazakhstan	PEN: Peru	RSD: Serbia	TRY: Turkey	ZAR: South Africa

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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*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