

QUARTERLY INVESTMENT REVIEW

Systematic Global Macro Major Markets Strategy

Performance returns (USD)

ANNUALIZED RETURNS (QUARTER-END)	Quarter-End	YTD	1-Year	3-Year	5-Year	10-Year	Since Inception
Systematic Global Macro Major Markets Strategy (net)	1.82	1.82	6.48	2.51	1.71	2.11	2.39
Systematic Global Macro Major Markets Strategy (gross)	2.10	2.10	7.66	3.64	2.80	3.14	3.38
FTSE 3-Mo. TBill	1.35	1.35	5.49	2.70	2.06	1.39	1.13
Value Add	+0.47	+0.47	+0.98	-0.19	-0.35	+0.72	+1.26

Major Performance Drivers

It was a strong start to equity markets for the year. Driven by stronger than expected economic growth in the U.S., developed market equities rose over 8%, while emerging market equities traded sideways. Fixed income markets had a more challenging start, as inflation seemed somewhat more stubborn than anticipated and expectations of Fed cuts became less optimistic. The lowering of cut expectations also helped the U.S. dollar, which rose close to 2.5% to the euro, and over 7% to the Japanese yen.

The portfolio had a positive return for the quarter. Currencies added value over the quarter, mainly through short positions in the Japanese yen and Swiss franc. Equity positions were a detractor, with gains from long U.S. positions offset by losses in long Hang Seng and emerging market positions. Commodities also underperformed, with short positions in crude oil being the biggest culprit.

Inception Date: 3-Oct-11

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

Risks: Risks associated with investing in the Strategy may include Management and Operational Risk, Market Risk - Equities, Currency Risk, Commodities Risk, and Futures Contracts 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.

Performance Returns: 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.** The local market in which some accounts in the composite are priced was closed for Good Friday on March 29, 2024. Therefore, the performance for the strategy 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. Gross returns are presented gross of management fees and any incentive fees if applicable. These 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 and incentive fees were deducted performance would be lower. For example, if, before fees, the strategy were to achieve a 10% annual rate of return above its hurdle rate each year for ten years, and an annual advisory fee of 1% and incentive fee of 20% of net returns above the hurdle rate were charged during that period, the resulting average annual net return (after the deduction of management and incentive fees) would be approximately 7.20%.

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PRODUCT OVERVIEW

The GMO Systematic Global Macro Major Markets Strategy's investment objective is long-term total return. The Strategy takes both long and short positions in a range of global equity, bond, currency, commodity, and over-the-counter (OTC) markets using exchange-traded OTC futures, forward non-U.S. currency contracts, swaps on commodity and equity indices, and index options.

The Systematic Global Macro team's investment process systematically applies value and sentiment strategies across global markets. We believe that markets are inefficient but, in the long term, that economic reality will prevail and markets will revert toward fair value; however, the timing of this is uncertain. We aim to profit from mean reversion by buying markets that we believe are depressed in price and shorting markets that we believe are trading at inflated values. To deal with the uncertainty of timing, we model investor sentiment.

IMPORTANT INFORMATION

Benchmark(s): The FTSE 3-Month Treasury Bill Index is an independently maintained and widely published index comprised of short-term U.S. Treasury bills.

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.

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

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