

QUARTERLY INVESTMENT REVIEW

Systematic Global Macro Trust

Performance returns (AUD)

ANNUALIZED RETURNS (QUARTER-END)	Quarter-End	YTD	1-Year	3-Year	5-Year	10-Year	Since Inception
Systematic Global Macro Trust (net)	-1.44	-14.14	-14.14	-0.40	0.24	1.48	5.67
Bloomberg AusBond Bank Bill +	1.12	4.47	4.47	3.19	1.98	1.95	3.26
Value Add	-2.56	-18.61	-18.61	-3.59	-1.74	-0.46	+2.41

MAJOR PERFORMANCE DRIVERS

The U.S. election was the centerpiece for the markets during the final quarter of the year. Global equity markets initially surged after the results, buoyed by expectations of lower taxes, however, the optimism was short-lived. Concerns over inflation, tariffs, and comments from a less accommodating Federal Reserve dampened market sentiment. By the end of the quarter, global equity markets had declined slightly, with emerging markets experiencing a sharper fall of over 8%. U.S. 10-year yields rose by 90 basis points to 4.6%, driving the U.S. dollar up more than 7%. Commodities also slipped, with the metals sector particularly hard hit.

The portfolio had a negative quarter, with strong positive returns in equities offset by losses in commodities. Within equities, long positions in the Topix and short positions in the Kospi performed well. However, within commodities, short positions in cocoa continued to be a significant detractor. Cocoa prices had been declining in recent months, but renewed supply concerns caused another spike in prices. Currency positions were slightly down for the period, with long positions in the Norwegian krone and Brazilian real detracting the most and outweighing some good gains made from short positions in the Swiss franc, which added the most value.

Inception Date: 9-Feb-06

Risks: Risks associated with investing in the Trust may include: (1) Market Risk - Equities: The market price of equities may decline due to factors affecting the issuer, its industries, or the economy and equity markets generally. Declines in stock market prices generally are likely to reduce the net asset value of the Fund's shares. (2) Market Risk - Fixed Income Investments: The market price of a fixed income investment can decline due to a number of market-related factors, including rising interest rates and widening credit spreads or decreased liquidity stemming from the market's uncertainty about the value of a fixed income investment (or class of fixed income investments). (3) Credit Risk: The risk that the issuer or guarantor of a fixed income investment or the obligor of an obligation underlying an asset-backed security will be unable or unwilling to satisfy its obligation to pay principal and interest or otherwise to honor its obligations in a timely manner. For a more complete discussion of these risks and others, please consult the Trusts Product Disclosure Statement.

Performance Returns: Performance for the year of inception is less than a full calendar year. 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.** Net returns are presented after the deduction of management fees and incentive fees 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. The GMO Systematic Global Macro Trust ARSN 090 799 385 ("the Trust") is issued by GMO Australia Limited ABN 30 071 502 639, AFS Licence No. 236 656.

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PRODUCT OVERVIEW

The GMO Systematic Global Macro Trust's investment objective is long-term total return. GMO Australia aims to produce a portfolio that seeks to outperform the Bloomberg AusBond Bank Bill Index by taking both long and short positions in a range of global equity, bond, currency, and commodity markets using exchange-traded futures and forward foreign exchange contracts, as well as by making other investments.

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. Using sentiment helps us avoid buying inexpensive assets too early and closing winning positions too quickly.

IMPORTANT INFORMATION

Benchmark(s): The Bloomberg AusBond Bank Bill + Index is an internally maintained benchmark computed by GMO, comprised of (i) the Bloomberg AusBond Bank Bill through 29/11/2002, (ii) the Bloomberg AusBond Composite 0+ Yr Index through 29/04/2005, and (iii) the Bloomberg AusBond Bank Bill Index thereafter.

The Trust accepts investments from wholesale investors only. Retail investors are not able to directly invest in the Trust but may gain exposure to the Trusts by investing with certain investor directed portfolio services, master trusts, wrap accounts or custodians ("services"). GMO Australia Limited, GMO LLC, and their affiliates, do not guarantee the performance of the Trust or the repayment of an investor's capital. This information is of a general nature only and is not advice. It does not take into account the objectives, financial situation or needs of any specific investor. The offer to invest in the Trust for wholesale investors is contained in the current information memorandum. A Product Disclosure Statement ("PDS") is also available solely for use by retail investors gaining exposure to the Trust through a service. A Target Market Determination (TMD) has also been prepared for the Trust. The information memorandum PDS and TMD can be obtained by visiting our website www.gmo.com. Investors should read the information memorandum or PDS, consider their own circumstances, and obtain their own advice before making an investment decision.

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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