

# EMERGING MARKETS EX-CHINA

## OVERVIEW

The GMO Emerging Markets ex-China Strategy seeks total return in excess of that of its benchmark, the MSCI Emerging Markets ex-China Index. GMO uses proprietary quantitative techniques and fundamental analysis to evaluate and select countries, sectors, and equity investments based on factors including, but not limited to, valuation, quality, patterns of price movement and volatility, and macroeconomic factors. GMO also may consider ESG (environmental, social and governance) criteria and expects the Strategy will have a value bias relative to its benchmark.

## FACTS

Strategy Inception	18-Oct-21
Composite Inception	31-Oct-21
Total Assets	\$779mm USD
Benchmark	MSCI Emerging Markets ex-China

## 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>
Composite	-4.34	-4.34	4.96	27.40	-32.48	1.44
Benchmark	-3.88	-3.88	8.34	20.03	-19.26	1.26

## RISK PROFILE (SINCE INCEPTION 29-OCT-21)

Alpha (Jensen's)	-4.85
Beta	1.06
R Squared	0.83
Sharpe Ratio	-0.34
Standard Deviation	19.63

## 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	24.79	-2.89	-	-	-2.89
Benchmark	27.19	2.07	-	-	2.07

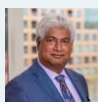
## PORTFOLIO MANAGEMENT



**George Sakoulis**  
Joined GMO in 2020  
MA & PhD, University of Washington



**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 investing in the Strategy 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) 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. (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](http://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](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.

## EMERGING MARKETS EX-CHINA

## CHARACTERISTICS

	<i>Portfolio</i>	<i>Benchmark</i>
Price/Earnings - Forecast 1 Yr Wtd Mdn	10.3x	18.0x
Price/Earnings - Hist 1 Yr Wtd Mdn	12.0x	23.3x
Price/Book - Hist 1 Yr Wtd Avg	1.5x	2.0x
Price/Cash Flow - Hist 1 Yr Wtd Mdn	9.2x	12.6x
Dividend Yield - Hist 1 Yr Wtd Avg	4.8%	2.6%
Return on Equity - Hist 1 Yr Mdn	21.2%	16.8%
Debt/Equity - Wtd Mdn	0.3x	0.4x
Market Cap - Wtd Mdn Bil	7.1 USD	16.0 USD
Number of Equity Holdings	296	664
Active Share	70.5%	N/A

## MARKET CAP BAND EXPOSURES (\$B)

	<i>Portfolio</i>	<i>Benchmark</i>
Small (5.5 & Below)	45.0	21.5
Small - Medium (5.5 To 16.4)	22.8	29.4
Medium (16.4 To 43.4)	13.9	19.2
Medium - Large (43.4 To 119.4)	3.8	12.0
Large (119.4 & Above)	14.5	17.8

## TOP COUNTRIES (%)

<i>Country</i>	<i>Portfolio</i>	<i>Benchmark</i>
Taiwan	30.2	26.2
India	18.5	25.9
Brazil	10.4	6.6
South Korea	10.1	13.9
Indonesia	6.5	2.3
Mexico	6.5	2.6
South Africa	4.8	4.4
Hungary	3.9	0.3
Thailand	1.9	2.1
Viet Nam	1.6	0.0

## REGIONS (%)

<i>Region</i>	<i>Portfolio</i>	<i>Benchmark</i>
East Asia (Emerging)	40.3	40.9
South Asia (Emerging)	29.5	32.3
Latin/South America (Emerging)	17.9	10.3
Mideast/Africa (Emerging)	6.7	13.6
Europe (Emerging)	4.9	3.1
Cash Equivalents	0.7	0.0

## SECTORS (%)

<i>Sector</i>	<i>Portfolio</i>	<i>Benchmark</i>
Communication Services	0.8	4.6
Consumer Discretionary	5.3	6.6
Consumer Staples	7.9	5.3
Energy	11.7	5.1
Financials	23.5	25.2
Health Care	2.4	3.5
Industrials	6.8	7.3
Information Technology	26.9	30.2
Materials	6.9	7.7
Real Estate	0.1	1.4
Utilities	7.5	3.0

## TOP HOLDINGS

<i>Company</i>	<i>%</i>
Taiwan Semiconductor Manufacturing Co Ltd	12.3
OTP Bank Nyrt	3.1
Cia Energetica de Minas Gerais	3.0
Grupo Financiero Banorte SAB de CV	2.9
Bharat Petroleum Corp Ltd	2.5
Hon Hai Precision Industry Co Ltd	2.3
Bank Central Asia Tbk PT	2.3
Samsung Electronics Co Ltd	2.2
Oil & Natural Gas Corp Ltd	2.1
Kia Corp	2.0
<b>Total</b>	<b>34.7</b>

# EMERGING MARKETS EX-CHINA

## IMPORTANT INFORMATION

**Benchmark(s):** The MSCI Emerging Markets ex China Index is an independently maintained and widely published index which captures large and mid cap representation within Emerging Markets (EM) countries, excluding China. MSCI data may not be reproduced or used for any other purpose. MSCI provides no warranties, has not prepared or approved this report, and has no liability hereunder.

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

**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.

**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.

**Top Holdings:** 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.

AMSTERDAM

BOSTON

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SAN FRANCISCO\*

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SYDNEY

TOKYO\*\*

\*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

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