

STRATEGY OVERVIEW

Launched in January 2008, the GMO Emerging Country Local Debt Strategy seeks to achieve total return in excess of the J.P. Morgan GBI-EM Global Diversified Index by investing in debt instruments linked to emerging country debt and primarily denominated in currencies of emerging countries.

STRATEGY FACTS

Inception: 1/31/08

Benchmark: J.P. Morgan GBI-EM Global Diversified

Assets: \$1.4 Billion

Portfolio Management:
Tina Vandersteel

Risks:
Risks associated with investing in the Strategy may include: Risks of Non-U.S. Investments, Focused Investment Risk, Currency Risks, Forwards Contracts Risks, and Fixed Income Risks.

About GMO:
Founded in 1977, GMO is an independently-owned, global institutional investment manager dedicated to providing our clients with superior investment advice and performance.

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METHODOLOGY

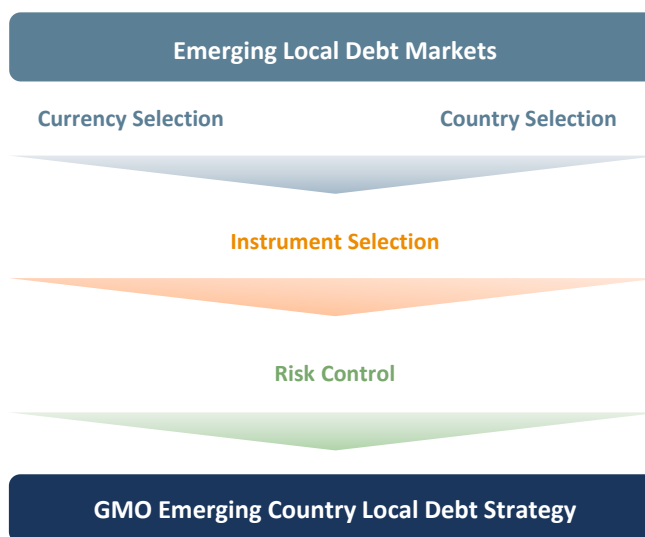
GMO's Emerging Country Debt team evaluates credit with a bottom-up emphasis, using analytical techniques to exploit inefficiencies in the pricing of these credits. The team casts a wide net with respect to the types of sovereign, quasi-sovereign, and select corporate issues it considers.

Separately, the team adjusts its currency exposures to take advantage of the relative attractiveness of global currency markets, while remaining mostly notional neutral to the U.S. dollar at the portfolio level. Similarly, the team adjusts interest-rate exposures to take advantage of the relative attractiveness of global interest-rate markets, while remaining mostly duration-neutral at the portfolio level. The team evaluates each instrument's interest rate, credit, and currency exposures independently, managing risks along each dimension.

PORTFOLIO CONSTRUCTION

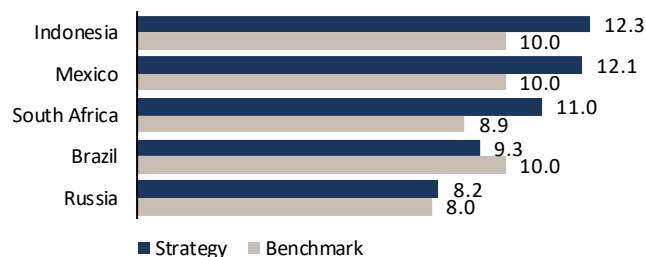
In constructing the portfolio, GMO seeks to match the broad currency and interest rate characteristics of the benchmark. In some cases, the team will buy instruments, such as local currency bonds, that bundle together all three main exposures. In other cases, the team may take or hedge these exposures using derivative instruments, such as currency forwards or interest rate swaps. The portfolio's cash assets may be invested in short-term debt securities of U.S. or foreign companies, foreign governments, and other money market instruments.

INVESTMENT PROCESS

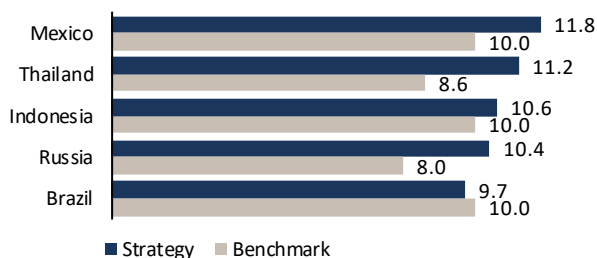


STRATEGY PROFILE

Top Country Weights (%)



Top Currency Weights (%)



5-Year Risk Profile¹

	Strategy	Benchmark
Alpha	-0.06	0.00
Beta	1.12	1.00
R ²	0.98	1.00
Sharpe Ratio	-0.12	-0.12
Std. Deviation	12.49	11.06

Characteristics

	Strategy
Interest Rate Duration	5.2
Portfolio Turnover	24.0
# of FX Positions	29.0
# of Credit Markets	29.0
# of Interest-Rate Markets	25.0
USD	8.2

¹ Alpha is a measure of risk-adjusted return; Beta is a measure of a portfolio's sensitivity to the market; R² 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. Risk profile data is net.

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.

PERFORMANCE NET OF FEES

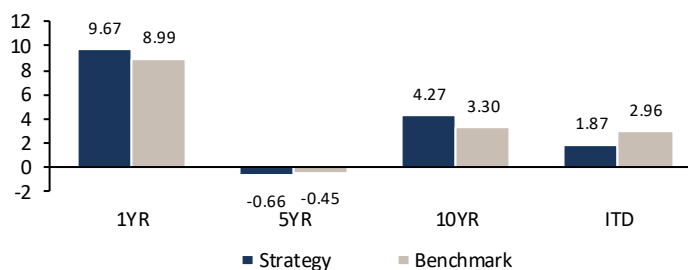
Total Return (%)

	Strategy	Benchmark
2Q 2019	5.44	5.64
YTD 2019	9.94	8.72

Annual Total Return (%)

2018	-7.39	-6.21
2017	16.14	15.21
2016	12.37	9.94
2015	-16.00	-14.92
2014	-6.08	-5.72
2013	-10.54	-8.98
2012	21.46	20.57
2011	-4.21	-3.00
2010	16.81	13.32
2009	42.51	20.44

Annualized Return (%)



Performance data quoted represents past performance and is not predictive of future performance. Returns are shown after the deduction of management fees, transaction costs and other expenses, but before custody charges, withholding taxes, and other indirect expenses. The returns assume the reinvestment of dividends and other income. Returns for the composite are based on estimated market values for the period from and including October 2008 through February 2009.

Performance is shown for the GMO Emerging Country Local Debt Investment Composite. The inception date of the Composite is 2/29/08.

The J.P. Morgan GBI-EM Global Diversified + is comprised of the J.P. Morgan GBI-EM Diversified through 8/31/2012 and the J.P. Morgan GBI-EM Global Diversified thereafter.