

QUARTERLY INVESTMENT REVIEW

Systematic Global Macro Strategy

RETURNS (%) (LOCAL)	Cumulative (%)		Annualized (%)				
	QTD	YTD	1 Year	3 Years	5 Years	10 Years	ITD
Net of Fees (Composite)	1.07	8.09	8.09	3.81	3.78	3.58	5.69
Gross of Fees (Composite)	1.25	9.88	9.88	5.25	5.19	5.18	7.88
FTSE 3-Mo. TBill	1.41	5.26	5.26	2.25	1.91	1.26	1.41
Value Added (vs. FTSE 3-Mo. TBill)	-0.33	2.83	2.83	1.57	1.86	2.32	+4.28

Major Performance Drivers

Risk assets rallied strongly into the end of the year. With inflation data continuing to slow, the markets started to look towards the Fed for future rate cuts. U.S. 10-year treasury yields finished the year below 4%. Equities finished 2024 very strong, with a rally through the last quarter, adding over 10% to an already stellar year of performance.

The portfolio delivered a positive return for the quarter, although active returns were flat. Commodities were the strongest contributor, with solid gains made from short positions in soy oil, crude oil, and heating oil. These returns, however, were almost completely offset by losses in currencies. Within the latter, the biggest underperformers were short positions in the Swiss franc and Japanese yen. Fixed income was also a slight detractor for the period, from a mix of several short positions.

Inception Date: 28-Mar-02

Risks: Risks associated with investing in the Strategy may include Derivative Instruments Risks, Equities Risks, Currency Risks, Commodities Risks, and Fixed Income Risks. 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. **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.** 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%.

QUARTERLY INVESTMENT REVIEW

PRODUCT OVERVIEW

The 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, and commodity markets using exchange-traded and over-the-counter (OTC) futures and forward foreign exchange contracts, swaps on commodity indices, equity indices and equities, and index options and 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.

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.

AMSTERDAM

BOSTON

LONDON

SINGAPORE

SYDNEY

TOKYO*

*Representative Office

www.GMO.com