

EMERGING MARKETS TRUST

Quarter Ending March 31, 2021

OVERVIEW

The GMO Emerging Markets Trust (the "Trust") invests in the GMO Emerging Markets Fund (the Fund), a U.S. mutual fund which is advised by GMO. The Fund seeks total return in excess of that of its benchmark, the S&P/IFC Investable Composite Index.

PERFORMANCE (%)

Net of Fees, Fair Value, AUD	+7.33
Gross of Fees, Local Close, AUD	+7.14
MSCI Emerging Markets ¹	+3.63
Value Added	+3.51

Major Performance Drivers

Emerging markets began the year on a positive note with their focus on stimulus measures and vaccines. Later in the quarter, the market moved in a range trading off hopes of continuing stimulus measures and vaccines against fears of rising interest rates and Covid-19 mutations. Country returns over the quarter varied, ranging from a 20.4% drop in Turkey to a 16.9% leap in Chile. Sector returns were more clustered, varying from a decrease of 4.6% in Health Care to a jump of 9.1% in Materials.

Brazilian stocks were pressured by fears of growing government intervention and the lack of a plan to achieve fiscal targets. Some ground was clawed back later by signs of fiscal prudence in a pandemic aid package and by hints of monetary independence from the central bank. Our underweight in Brazilian Financials helped performance.

Continuing signs of a robust economic recovery in China initially boosted the market. But investor sentiment, especially on growth stocks, came under pressure on the back of rising yields in the U.S. and investor rotation toward pro-cyclical themes. Our underweight in China Consumer Discretionary contributed to performance.

The Russian stock market was initially negatively impacted by fears of stronger U.S. sanctions and by domestic opposition to the government. Attention later turned to the rise in energy prices, Russia's key export. Also helping was an investor shift toward cyclical segments. Our overweight in Russian Financials added to performance.

Global demand for 5G, high-performance computing and artificial intelligence continue to boost Taiwan. Our overweight in Taiwan IT positively impacted performance.

Past performance information in the above is historical and is not a reliable indicator of future performance. Returns are shown after the deduction of management fees and other expenses. This information is current as at the date specified and is subject to change.

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.

The information memorandum and PDS 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.

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¹ The MSCI Emerging Markets Index (MSCI Standard Index Series, net of withholding tax) is an independently maintained and widely published index comprised of global emerging markets large and mid capitalization stocks. 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.