

SGM Major Markets Investment Fund

Quarter Ending December 31, 2019

OVERVIEW:

The GMO SGM Major Markets Investment Fund seeks long-term total return by investing in a portfolio of long and short positions in global equity, bond, currency, and commodity markets. We implement the Fund primarily by using liquid futures and forward non-U.S. exchange contracts.

Performance (%)

Net of Fees, Fair Value, USD	+0.10
Gross of Fees, Local Close, USD	+0.29
FTSE 3-Mo. TBill ¹	+0.46
Value Added	-0.17

Major Performance Drivers

After a tough start to the quarter, the portfolio posted encouraging returns in both subsequent months. Decent value was added from a net long exposure to equities and positive market selection within fixed income. The continued expectation of easing geopolitical tensions and further support from central banks acted to buoy both risky and safe haven assets higher, with equities and bonds rallying into year end. The portfolio's net long to equities added to performance, whilst a short U.S. position detracted. Interestingly, value continued to outperform their growth counterparts in certain equity markets. Selection within fixed income added value as the positive contribution from short positions more than offset the value long positions detracted. Currencies were mixed given a generally weaker U.S. dollar over the period; short positions in the euro and Swiss franc detracted while long positions in the Canadian dollar contributed.

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 investors 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. To obtain performance information to the most recent month end, visit www.gmo.com.

An investor should consider the fund's investment objectives, risks, charges and expenses before investing. This and other important information can be found in the fund's prospectus. To obtain a prospectus please visit www.gmo.com. Read the prospectus carefully before investing.

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¹ The FTSE 3-Month Treasury Bill Index is an independently maintained and widely published index comprised of short-term U.S. Treasury bills.