

# SYSTEMATIC GLOBAL MACRO

## 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.

## FACTS

|                     |                  |
|---------------------|------------------|
| Strategy Inception  | 28-Mar-02        |
| Composite Inception | 31-Mar-02        |
| Total Assets        | \$2.0bn USD      |
| Benchmark           | FTSE 3-Mo. TBill |

## CUMULATIVE TOTAL RETURNS (USD, NET OF FEES, %)

|           | <i>MTD</i> | <i>QTD</i> | <i>YTD</i> | <i>2024</i> | <i>2023</i> | <i>2022</i> | <i>2021</i> | <i>2020</i> |
|-----------|------------|------------|------------|-------------|-------------|-------------|-------------|-------------|
| Composite | -0.89      | -0.89      | 5.87       | -13.45      | 8.09        | 8.69        | -4.78       | 7.49        |
| Benchmark | 0.36       | 0.36       | 1.46       | 5.45        | 5.26        | 1.50        | 0.05        | 0.58        |

## RISK PROFILE (5-YEAR TRAILING)

|  |        |
|--|--------|
| Sharpe Ratio                               | -0.11  |
| Standard Deviation                         | 7.99   |
| Max Port. Drawdown (29-Dec-23 - 29-Nov-24) | -15.36 |

## 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 | 0.75          | 2.29           | 1.86           | 1.60            | 4.96       |
| Benchmark | 5.07          | 4.54           | 2.74           | 1.94            | 1.63       |

## PORTFOLIO MANAGEMENT



Jason Halliwell, CFA  
Joined GMO in 1999  
BCOMM, University of  
Queensland

**Risks:** Risks associated with investing in the Strategy may include: (1) Derivative Instruments Risks: the risk that their value may not change as expected relative to changes in the value of the underlying assets, pools of assets, rates, currencies or indices. Derivatives also present other risks, including market risk, illiquidity risk, currency risk, credit risk, leveraging risk, commodities risk and counterparty risk; (2) 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; and (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. 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 at [www.gmo.com](http://www.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.

## SYSTEMATIC GLOBAL MACRO

## EQUITY MARKET SELECTION (% NET WEIGHT)

|                  | <i>Portfolio</i> |
|------------------|------------------|
| North America    | -4.75            |
| Europe           | -4.69            |
| Asia and Oceania | 5.94             |
| Total            | -3.50            |

## FIXED INCOME MARKETS (% NET WEIGHT)

|                  | <i>Portfolio</i> |
|------------------|------------------|
| North America    | 5.21             |
| Europe           | 15.27            |
| Asia and Oceania | 3.59             |
| Total            | 24.07            |

## CURRENCY MARKETS (% NET WEIGHT)

|                          | <i>Portfolio</i> |
|--------------------------|------------------|
| North America            | 18.68            |
| Europe                   | -34.28           |
| Asia and Oceania         | 2.62             |
| South America and Africa | 10.44            |
| USD                      | 2.54             |

## COMMODITY MARKETS (% NET WEIGHT)

|             | <i>Portfolio</i> |
|-------------|------------------|
| Energy      | -0.81            |
| Metals      | 2.78             |
| Agriculture | -10.51           |
| Total       | -8.54            |

# SYSTEMATIC GLOBAL MACRO

## 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.

For investors in Asia-Pac and Australia, these materials are intended for Institutional and Wholesale Investor Use Only.

## GLOSSARY

**Risk Statistics:** Risk profile data is net of fees. 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. Drawdown is based on the portfolio's worst performance over the period based on monthly observations.

---

## 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

SAN FRANCISCO\*

SINGAPORE

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

[www.GMO.com](http://www.GMO.com)