

## FIXED INCOME ABSOLUTE RETURN

## OVERVIEW

The GMO Fixed Income Absolute Return Strategy seeks to generate positive absolute returns by exploiting opportunities in global fixed income and currency markets.

GMO employs quantitative models for forecasting and valuing rates and currency markets, as well as for allocation and trading strategies. Our models use market-based, macroeconomic, and fundamental inputs in conjunction with proprietary research to evaluate and identify investment opportunities.

## FACTS

Strategy Inception	31-Oct-16
Composite Inception	31-Oct-16
Total Assets	\$32mm USD
Index	FTSE 3-Mo. T-Bill

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

	<i>MTD</i>	<i>QTD</i>	<i>YTD</i>	<i>2023</i>	<i>2022</i>	<i>2021</i>	<i>2020</i>	<i>2019</i>
Composite	0.63	0.33	0.33	3.82	-4.85	-12.35	-1.38	6.47
Index	0.44	1.35	1.35	5.26	1.50	0.05	0.58	2.25

## RISK PROFILE (5-YEAR TRAILING)

Sharpe Ratio	-0.60
Standard Deviation	7.09
Max Port. Drawdown (31-Dec-19 - 30-Jun-22)	-21.00

## 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	4.22	-2.17	-2.20	-	-0.11
Index	5.49	2.70	2.06	-	1.84

## PORTFOLIO MANAGEMENT



Jason Hotra  
Joined GMO in 2015  
BS, MIT

**Risks:** Risks associated with investing in this Strategy may include: Fixed Income Risks, Currency Risks, Forward Contracts Risks, Options Risks, and Futures 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](http://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. 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 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.** The portfolio is not managed relative to a benchmark. References to an index are for informational purposes only. The local market in which some accounts in the composite are priced was closed for Good Friday on March 29, 2024. Therefore, the performance for the strategy and corresponding benchmark will utilize March 28 for purposes of the ending valuation for the March return and the starting valuation for the April return.

## FIXED INCOME ABSOLUTE RETURN

## ACTIVE CURRENCY EXPOSURES (% MARKET VALUE)

	<i>Portfolio</i>
JPY	28.9
NOK	21.4
SEK	12.5
MXN	4.0
ILS	2.9
BRL	2.4
INR	2.1
KRW	1.9
COP	1.2
CLP	1.1
ZAR	0.1
DKK	0.0
RUB	0.0
TRY	0.0
PHP	-0.2
PLN	-0.2
IDR	-0.3
PEN	-0.9
SGD	-1.0
TWD	-2.0
RON	-2.1
CZK	-2.3
HUF	-2.4
CAD	-2.9
THB	-3.3
GBP	-3.5
NZD	-7.5
AUD	-8.5
EUR	-20.3
CHF	-31.4
Net USD	10.3

GLOBAL INTEREST RATE EXPOSURES  
(YEARS OF DURATION)

<i>Country</i>	<i>Portfolio</i>
Australia	4.5
Canada	0.9
United Kingdom	0.9
Switzerland	0.6
United States	0.4
New Zealand	0.1
Japan	0.0
European Union	-2.4
Sweden	-3.3
Global Net	1.8

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## IMPORTANT INFORMATION

**Index(es):** 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.

## GLOSSARY

**Country Contribution to Duration:** Country contribution to duration is measure of each country's contribution to the overall portfolio duration.

**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.

## CURRENCY KEY

<b>ARS:</b> Argentina	<b>CNY:</b> China	<b>GHS:</b> Ghana	<b>ILS:</b> Israel	<b>MXN:</b> Mexico	<b>PHP:</b> Philippines	<b>RUB:</b> Russia	<b>TWD:</b> Taiwan
<b>BRL:</b> Brazil	<b>CZK:</b> Czech Republic	<b>HKD:</b> Hong Kong	<b>INR:</b> India	<b>MYR:</b> Malaysia	<b>PLN:</b> Poland	<b>SGD:</b> Singapore	<b>UAH:</b> Ukraine
<b>CLP:</b> Chile	<b>DOP:</b> Dominican Republic	<b>HUF:</b> Hungary	<b>KRW:</b> South Korea	<b>NGN:</b> Nigeria	<b>RON:</b> Romania	<b>THB:</b> Thailand	<b>UYU:</b> Uruguay
<b>COP:</b> Colombia	<b>EGP:</b> Egypt	<b>IDR:</b> Indonesia	<b>KZT:</b> Kazakhstan	<b>PEN:</b> Peru	<b>RSD:</b> Serbia	<b>TRY:</b> Turkey	<b>ZAR:</b> South Africa

## 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.

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\*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

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