



GMO Australia Limited
ABN 30 071 502 639
AFSL No. 236 656
www.gmo.com
Suite 43.02, Grosvenor Place
225 George Street, Sydney NSW 2000
Tel: + 61 2 8274 9900 • Fax: + 61 2 8003 8800

GMO SGM MAJOR MARKETS TRUST

ARSN 600 141 535, ABN 868 183 620 04

Product Disclosure Statement ("PDS") for indirect investors dated: **30 September 2023**

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The information in this PDS is current as of 30 September 2023 unless otherwise stated. Certain information is subject to change from time to time and, if the change is not materially adverse to unit holders, we will notify unit holders of any changes by posting the updated information on GMO's website at www.gmo.com. We will also provide unit holders with a paper copy of any updated information free of charge on request. From time to time, GMO Australia may publish additional information about the Trust in a Statement of Additional Information ("SAI") available at <https://www.gmo.com/globalassets/documents---manually-loaded/documents/sai/gmo-australia-sai.pdf>. The SAI is not incorporated into this PDS.

This PDS is only for use by investors investing through an investor directed portfolio service ("IDPS"), IDPS-like scheme, master trust, wrap account or custodian (collectively known in this PDS as a "Service"). In this PDS, the operator of a Service is referred to as your "Service Operator". Investors gaining exposure to the GMO SGM Major Markets Trust (the "Trust") through a Service do not themselves become unit holders in the Trust. Instead, it is the Service Operator who invests for you that has the rights of a unit holder. References to 'you' or 'your' are to investors (and, where the context requires, prospective investors) who gain exposure to the Trust through a Service. This PDS can only be used by investors receiving it in Australia (whether electronically or otherwise).

The information in this PDS is general information only and has been prepared without taking account of your individual objectives, financial situation or particular needs. We recommend that before acting on this information, you consider its appropriateness to your circumstances and seek professional advice from a licensed or authorised financial advisor.

GMO Australia Limited ("GMO Australia") is the responsible entity of the Trust and the issuer of this PDS. As responsible entity, GMO Australia is responsible for overseeing the operations of the Trust. GMO Australia is wholly owned by GMO Australasia LLC which in turn is wholly owned by Grantham, Mayo, Van Otterloo & Co. LLC ("GMO"). Neither, GMO Australia, GMO nor any of their affiliates guarantees the performance of the Trust or the return of unit holders' capital. GMO Australia was established in 1995 and manages systematic global macro products, contributes to the group's research capability and provides access to GMO's global product range to local clients. GMO, founded in 1977, is a privately held global investment management firm committed to providing sophisticated clients with superior asset management solutions and services. GMO offers a broad range of investment products, including equity and fixed income strategies across global developed and emerging markets, as well as absolute return strategies. GMO's global offices include the firm's headquarters in Boston and offices in San Francisco, London, Amsterdam, Singapore and Sydney. GMO manages over A\$88 billion globally (as at 30 June 2023).

State Street Australia Limited ("SSAL") has given consent (which has not been withdrawn as at the date of this PDS) to the inclusion of references to SSAL in this PDS in the form and context in which they are included.

1. Regulatory Benchmark and Principle Disclosure

The Australian Securities and Investments Commission (“ASIC”) has developed disclosure benchmarks and disclosure principles for hedge funds, to assist investors to better understand the risks and advantages associated with these products, and to help investors decide whether investment in the products is suitable for them. The details of the benchmarks and disclosure principles are set out in Regulatory Guide 240 – “Hedge funds: Improving disclosure”. In accordance with Regulatory Guide 240 this PDS addresses the benchmarks on an “if not, why not” basis and provides cross-references to other sections of the PDS where more information can be found.

The table below summarises the benchmarks and disclosure principles and the Trust’s performance against the benchmarks. The table also provides references to sections within the PDS containing further information.

ASIC Disclosure Benchmark	Meet benchmark?
1 Valuation of assets Valuations of the hedge fund's non-exchange traded assets are provided by an independent administrator or an independent valuation service provider.	Yes. The Trust’s non-exchange traded assets are valued by State Street Australia Limited, an independent valuation service provider. Refer to “Valuation, location and custody of assets” in section 3 for more information.
2 Periodic reporting The responsible entity of a hedge fund should provide periodic disclosure on certain key information on an annual and monthly basis.	No, this benchmark is not fully met. GMO Australia provides reporting which meets: • all aspects of the ASIC monthly reporting benchmark; and • some, but not all, aspects of the ASIC annual reporting benchmark. In particular, reporting for the Trust does not include: • the liquidity profile of the Trust's assets; • the maturity profile of the Trust's assets; or • the Trust's leverage ratio. Refer to “Progress reports and accounts” in section 9 for more information.
ASIC Disclosure Principle	
1 Investment strategy	The Trust’s investment objective is long-term total return. GMO Australia aims to produce a portfolio that seeks to outperform the Bloomberg Ausbond Bank Bill Index. The Trust plans to pursue its investment objective by taking long and short positions in a range of global equity, bond, currency and commodity markets using exchange traded and over the counter (“OTC”) derivatives, including futures, forward currency contracts, swaps and index options. The Trust may also make direct investments including investing in equities and bonds. The Trust seeks to take advantage of GMO Australia’s proprietary investment models for systematic global tactical asset allocation and equity, bond, currency and commodity market selection. For specific key risks associated with the Trust's investment strategy, see section 5. For diversification guidelines and the key aspects of the Trust's risk management strategy, see section 2. GMO Australia at any time may change the investment objective, investment strategy, authorised investments and asset allocation and the other investment information in this PDS in accordance with section 2. Refer to section 2 for more information.
2 Investment manager	GMO Australia acts as investment manager of the Trust and has delegated some investment management functions to GMO. Management of the Trust is the responsibility of the investment

	professionals in GMO's Systematic Global Macro Division. Jason Halliwell is the Head of the Systematic Global Macro Division. Sean Gleason is a portfolio manager for the Systematic Global Macro Division. Refer to section 2 for more information.
3 Fund structure	The Trust is an Australian registered managed investment scheme. GMO Australia acts as responsible entity of the Trust. GMO Australia and GMO are the investment managers of the Trust. State Street Australia Limited acts as custodian and administrator to the Trust. PricewaterhouseCoopers acts as auditor to the Trust. Refer to "Fund structure" in section 3, and "Fees and costs" in section 6, for more information.
4 Valuation, location and custody of assets	Refer to "Valuation, location and custody of assets" in section 3 for information on the types of assets held, where they are located, how they are valued and the custodial arrangements.
5 Liquidity	As at the date of this PDS, GMO Australia reasonably expects to realise at least 80% of the assets of the Trust, at the value ascribed to those assets in calculating the Trust's net asset value in normal market conditions, within 10 days. However, GMO Australia generally pays redemption proceeds within 3 New South Wales business days. Refer to "Applications and redemptions" in section 3 for more information.
6 Leverage	The Trust will be managed so that the typical maximum gross leverage it will employ, calculated as the gross aggregate amount of its long and short positions, will be four (4) times the net asset value of the Trust (e.g., for every \$1 of the Trust's net asset value the Trust may be leveraged to \$4). However, this is an indicative level only, and the level of leverage that the Trust employs may vary significantly. Refer to "Leverage" in section 2 for more information.
7 Derivatives	The Trust will use derivatives as part of its normal investment strategy. The Trust plans to pursue its investment objective by taking long and short positions in a range of global equity, bond, commodity and currency markets using exchange traded and OTC derivatives, including futures, forward currency contracts, swaps and index options. The Trust may also make direct investments (including in equities and bonds and other derivatives). Refer to "Derivatives" and "Derivatives Counterparties" in section 2 and section 5 "Trust Risks" for more information.
8 Short selling	The Trust does not generally short sell securities. However, the Trust may use derivatives to take active short positions in asset classes as part of its normal investment strategy. Refer to section 2 for more information.
9 Withdrawals	Units in the Trust can generally be withdrawn daily on each New South Wales business day. GMO Australia has the right to suspend withdrawals if it believes it is in the best interests of unit holders as a whole. Unit holders will be notified in these circumstances. Refer to "Applications and redemptions" in section 3 for more information.

2. Investment Information

You should consider the likely investment return, the risk and your investment time frame when choosing whether or not to invest in the Trust.

Description of the Trust

The Trust is designed for experienced investors who are looking for a fund that aims to provide capital growth to be used as a part of a diversified portfolio where the investor has a medium to long term investment timeframe and a high to very high risk/return profile.

GMO Australia has prepared a Target Market Determination ("TMD") in accordance with the product design and distribution obligations of the Corporations Act. The TMD sets out the class of consumers for whom the Trust, including its key attributes, would likely be consistent with their likely objectives, financial situation and needs. A copy of the TMD is available free of charge at www.gmo.com or by contacting GMO Australia (by email to sydcst@gmo.com).

Investment Objective

The Trust's investment objective is long-term total return. GMO Australia aims to produce a portfolio that seeks to outperform the Bloomberg Ausbond Bank Bill Index.

Investment Strategy

The Trust plans to pursue its investment objective by taking long and short positions in a range of global equity, bond, commodity and currency markets using exchange traded and OTC derivatives, including futures, forward currency contracts, swaps and index options. The Trust may also make direct investments including in equities and bonds. Investments held by the Trust are global in nature and may be denominated in a number of currencies.

The Trust seeks to take advantage of GMO Australia's proprietary investment models for systematic global tactical asset allocation and equity, bond, currency and commodity market selection. The systematic investment process GMO Australia uses is based on the following strategies:

Value-Based Strategies: Value factors compare the price of an asset class or market to the value of a company's assets less its liabilities. Generally, value-based strategies use yield and mean reversion analysis.

Sentiment-Based Strategies: Generally, sentiment-based strategies assess price-based momentum factors and non-price based factors such as economic trends, fundamental trends and investor positioning.

The portfolio is constructed through a proprietary optimisation process that seeks to maximise expected returns while controlling for risk. The portfolio construction process attempts to manage risk through various processes including:

- Diversification across a broad investment universe;
- Taking positions that reflect GMO Australia's view of the opportunity to add value and where we believe we have skill; and
- Monitoring market conditions.

In implementing the Trust's investment strategy, GMO Australia seeks to take risk positions for the Trust that, in GMO Australia's view, are proportionate to return opportunities. As a result, during time periods when GMO Australia believes the return opportunities are high relative to the risks involved, the Trust typically will be exposed to more risks than it would be during time periods when GMO Australia believes the return opportunities are low relative to the risks involved.

GMO Australia may at any time discontinue investment strategies, add new investment strategies or cause the Trust to take positions that deviate from GMO Australia's investment models as a result of additional research, changing market conditions, or other factors. The factors GMO Australia considers and investment methods GMO Australia uses can change over time.

Authorised Investments and Asset Allocation

The Trust's constitution authorises GMO Australia to invest in a wide range of investments.

The Trust typically invests in cash, cash equivalents and fixed income securities with a maturity of two years or less and then uses derivatives to gain active exposure to markets.

The Trust will typically obtain active exposure to global equity, bond, commodity and currency markets through the use of exchange traded futures, forward foreign exchange contracts, swaps, options and other derivatives. The Trust may also hold equities, exchange traded funds ("ETFs") and other funds.

The Trust generally expects to apply the following ranges to active exposures in the management of its portfolio:

- (i) Exposure (as determined by GMO Australia) to a single asset class (e.g., shares, bonds, commodities) will be between -100% and +100% of the Trust's net asset value; and
- (ii) Exposure (as determined by GMO Australia) to a single asset (e.g., any single futures

contract) will be between -50% and +50% of the Trust's net asset value.

The Trust will generally be managed within these ranges, although the Trust may be outside of these ranges for short periods of time. These ranges do not apply to the Trust's investments in cash, cash equivalents and fixed income securities.

These ranges have been formulated with the aim of limiting the absolute risk of the Trust while providing enough scope for the Trust to meet its targeted return and risk objectives.

The Trust may employ leverage, which tends to amplify risks and also entails special, additional risks. (See "Leverage" section for further information).

Minimum suggested investment time frame

5 years

Risk level

The Trust has a high to very high risk/return profile. (See section 5 "Trust Risks" for further information on the key risks associated with the investment strategy).

Labour standards, environmental, social and ethical considerations

GMO believes that Environmental, Social and Governance ("ESG") factors can have a meaningful impact on the long-term success of companies and countries. GMO considers ESG criteria as part of its investment process to the extent such criteria are determined by GMO to have a financial impact on investments and may contribute to the risk-adjusted returns of the Trust.

GMO has no pre-determined view on what constitutes each of these ESG criteria – given the instruments held by the Trust, there are limited opportunities for GMO to take labour standards or environmental, social, or ethical considerations into account when making investment decisions.

There is no prescribed definition of each of these factors or particular exclusion list or industry screen. There is no prescribed weight given to ESG criteria, overall or individually – the weights that are ascribed for a particular investment decision are dependent upon GMO's assessment of their materiality and relevance to that investment decision.

GMO does not employ a particular methodology or timeframe to monitor and review these considerations – the frequency and method of reviews is determined on a case-by-case basis.

Further detail on how GMO integrates ESG considerations in its investment approaches is available in GMO's annual Sustainability and Responsible Investing Report (see <https://www.gmo.com/australia/esg-investing/>).

As a signatory to the UN-sponsored Principles for Responsible Investment ("PRI"), we complete the PRI reporting process on an annual basis and our PRI Transparency and Assessment Reports are available upon request.

Derivatives

The Trust will use derivatives as part of its normal investment strategy. Some detailed information regarding the Trust's use of futures, forward contracts, currency transactions and commodities follows. Although currently the Trust focusses its derivative use on these instruments the Trust may also use a variety of other derivatives including swaps, options, contracts for difference and other derivatives.

Futures Contracts

To the extent permitted by law, the Trust is authorised to enter into futures contracts and may invest in futures contracts on, among other things, financial instruments (such as a government security or other fixed income security), individual equities ("single stock futures"), securities indices, interest rates, currencies, inflation indices, commodities and commodities indices. If the Trust purchases a futures contract, it incurs an obligation to take delivery of a specified amount of the obligation underlying the futures contract at a specified time in the future for a specified price. If the Trust sells a futures contract, it incurs an obligation to deliver a specified amount of the obligation underlying the futures contract at a specified time in the future for an agreed-upon price. The purchase and sale of futures contracts can be used for hedging purposes and also may be used for speculative purposes.

The Trust may also invest in options on futures contracts, which give the purchaser the right, in return for the premium paid, to assume a long position (in the case of a call option) or a short position (in the case of a put option) in a futures contract at the option exercise price at any time during the period of the option (in the case of an American style option) or on the expiration date (in the case of a European style option).

The purchase or sale of a futures contract differs from the purchase or sale of a security or option in that no price or premium is paid or received. Instead, an amount of cash, government securities, or other liquid assets equal in value to a percentage of the face amount of the futures contract must be deposited with the broker. This amount is known as initial margin. The size of the initial margin is generally set by the market

on which the contract is traded (margin requirements may vary depending on the relevant market). Subsequent payments to and from the broker, known as variation margin, are made on a daily basis as the price of the underlying futures contract fluctuates, making the long and short positions in the futures contract more or less valuable, a process known as “marking to the market”. The Trust is also required to deposit and maintain margin with respect to put and call options on futures contracts written by it, which requirements vary depending on the nature of the underlying futures contract, the current market value of the option and other futures positions held by the Trust.

Prior to the settlement date of the futures contract, the position may be closed by taking an opposite position. A final determination of variation margin is then made, additional cash is required to be paid to or released by the broker, and the purchaser realises a loss or gain. In addition, a commission is paid to the broker on each completed purchase and sale.

Certain futures contracts are physically settled (i.e., involve the making and taking of delivery of a specified amount of an underlying security or other asset). For instance, the sale of futures contracts on currencies or financial instruments creates an obligation of the seller to deliver a specified quantity of an underlying currency or financial instrument called for in the contract for a stated price at a specified time. Conversely, the purchase of such futures contracts creates an obligation of the purchaser to pay for and take delivery of the underlying currency or financial instrument called for in the contract for a stated price at a specified time. In some cases, the specific instruments delivered or taken, respectively, on the settlement date are not determined until on or near that date. That determination is made in accordance with the rules of the exchange on which the sale or purchase was made. Some futures contracts are cash settled (rather than physically settled), which means that the purchase price is subtracted from the current market value of the instrument and the net amount, if positive, is paid to the purchaser by the seller of the futures contract and, if negative, is paid by the purchaser to the seller of the futures contract. In particular, index futures are agreements pursuant to which two parties agree to take or make delivery of an amount of cash equal to the difference between the value of a securities index at the close of the last trading day of the contract and the price at which the index contract was originally written. Although the value of a securities index might be a function of the market value of certain specified securities, no physical delivery of these securities is made.

Although some futures contracts call for making or taking delivery of the underlying securities, currencies,

commodities or other underlying instrument, in most cases futures contracts are closed before the settlement date without the making or taking of delivery by offsetting purchases or sales of matching futures contracts (i.e., with the same exchange, underlying financial instrument, currency, commodity, or index, and delivery month). If the price of the initial sale exceeds the price of the offsetting purchase, the seller is paid the difference and realises a gain. Conversely, if the price of the offsetting purchase exceeds the purchase price, the seller realises a loss. Similarly, a purchase of a futures contract is closed by selling a corresponding futures contract. If the offsetting sale price exceeds the original purchase price, the purchaser realises a gain, and, if the original purchase price exceeds the offsetting sale price, the purchaser realises a loss. Any transaction costs must also be included in these calculations. Likewise, a position in an option on a futures contract may be terminated by the purchaser or seller prior to expiration by selling or purchasing an offsetting option of the same type (i.e., the same exercise price and expiration date), with the difference between the premiums paid and received representing the Trust's profit or loss on the transaction.

Forward Contracts

The Trust may use forward contracts. A forward contract is a contract to buy or sell an underlying security or currency at a pre-determined price on a specific future date. The initial terms of the contract are set so that the contract has no value at the outset. Forward prices are obtained by taking the spot price of a security or currency and adding to it the cost of carry. No money is transferred upon entering into a forward contract and the trade is delayed until the specified date when the underlying security or currency is exchanged for cash. Subsequently, as the price of the underlying security or currency moves, the value of the contract also changes, generally in the same direction.

Forward contracts have a number of similar characteristics and risks as futures contracts but there also are several differences. Forward contracts are not market traded, and are not necessarily marked to market on a daily basis. They settle only at the pre-determined settlement date. This can result in deviations between forward prices and futures prices, especially in circumstances where interest rates and futures prices are positively correlated. Second, in the absence of exchange trading and involvement of clearing houses, there are no standardised terms for forward contracts. Accordingly, the parties are free to establish such settlement times and underlying amounts of a security or currency as desirable, which may vary from the standardised provisions available through any futures contract. Finally, forward contracts, as two party obligations for which there is no secondary

market, involve counterparty credit risk not present with futures.

Currency Transactions

The Trust may buy or sell currencies, or deal in forward currency contracts, currency futures contracts, swaps, swaptions and related options and options on currencies. The Trust may use such currency instruments for any purpose, including for investment, hedging and/or currency risk management.

Commodities

The Trust may invest in commodities and commodity-related instruments, including, by way of example and not of limitation, futures contracts, swaps, options, forward contracts, and structured notes, and equities, debt securities, convertible securities, and warrants of issuers in commodity-related industries. The Trust does not expect to acquire physical commodities directly. Ordinarily, any commodity futures or options contracts and any other derivative instruments that call for physical delivery of the underlying commodity will be liquidated prior to delivery.

Swap transactions

The Trust may directly or indirectly use various different swaps, such as swaps on securities and securities indices, total return swaps, interest rate swaps, basis swaps, currency swaps, commodity swaps and other types of available swap agreements. Swap contracts are two-party contracts entered into primarily by institutional investors for periods ranging from a few weeks to a number of years. Under a typical swap, one party may agree to pay a fixed rate or a floating rate determined by reference to a specified instrument, rate, or index, multiplied in each case by a specified amount ("notional amount"), while the other party agrees to pay an amount equal to a different floating rate multiplied by the same notional amount. On each payment date, the parties' obligations are netted, with only the net amount paid by one party to the other. Swap contracts are typically individually negotiated and structured to provide exposure to a variety of different types of investments or market factors. Swap contracts may be entered into for hedging or non-hedging purposes and therefore may increase or decrease a Fund's exposure to the underlying instrument, rate, asset or index. Swaps can take many different forms and are known by a variety of names. The Trust is not limited to any particular form or variety of swap agreement if GMO determines it is consistent with the Trust's investment objective and policies.

Derivative Counterparties

The GMO Systematic Global Macro Division has discretion to select counterparties with which to transact and has the primary responsibility for managing the Trust's counterparty risk. The GMO Systematic Global

Macro Division weighs various factors in determining the risks associated with a particular counterparty, which may include credit quality, collateral arrangements and guarantees. The GMO Systematic Global Macro Division will diversify its counterparty credit exposure as it believes prudent under the circumstances, keeping in mind best execution considerations. While exposures to counterparties are actively monitored by the GMO Systematic Global Macro Division, there is not an explicit limit on the amount of exposure that Trust may have with any one counterparty.

Please see section 5 "Trust Risks" for information regarding derivative risk and counterparty risk, including the risks associated with the collateral requirements of derivative counterparties.

Leverage

The Trust may use a high degree of leverage (with commensurate high risk) as part of its investment strategy.

Leverage primarily results from the Trust's use of derivatives, for example from the Trust's use of futures and forward contracts. Because many derivatives have a leverage component (i.e., a notional value in excess of the assets needed to establish or maintain the derivative position), adverse changes in the value or level of the underlying asset, rate or index can result in a loss substantially greater than the amount invested in the derivative itself.

The Trust may manage some of its derivative positions by offsetting derivatives positions against one another or against other assets. To the extent offsetting positions do not behave in relation to one another as expected, the Trust may perform as if it were leveraged. The Trust is not limited with respect to the extent to which derivatives may be used. Leverage may exaggerate the effect on net asset value of any increase or decrease in the market value of the Trust's portfolio.

The use of leverage creates opportunities for greater total return but at the same time creates greater risks. While gains made with the use of leverage generally would cause the Trust's net asset value to increase faster than without the use of leverage, losses made with the use of leverage generally would cause the Trust's net asset value to decrease faster and more significantly than without the use of leverage. Such decrease in net asset value could be substantial.

The Trust may create a charge or grant other security over its assets in connection with its derivatives transactions. In the event of a default by the Trust under the derivatives transactions, the counterparty

may seek to satisfy the debt owed to it and enforce its security by taking possession and/or disposing of the assets. Such enforcement may or may not involve the appointment of a receiver or equivalent person over the secured assets. In enforcing its security, the counterparty will typically not be subject to any duty to ensure that the assets of the Trust remaining in its portfolio after such enforcement comply with the investment restrictions provided for in the Trust's investment strategy.

Some of the Trust's cash and cash type investments will be used to meet margin requirements for futures and collateral requirements for forward contracts and other derivatives.

The Trust will be managed so that the typical maximum gross leverage it will employ, calculated as the gross aggregate amount of its long and short positions, will be four (4) times the net asset value of the Trust (e.g., for every \$1 of the Trust's net asset value the Trust may be leveraged to \$4). However, this is an indicative level only, and the level of leverage that the Trust may employ may vary significantly.

If the Trust is leveraged from \$1 to \$4, a loss of 25% would be sufficient to reduce the \$1 investment to zero.

Investment Managers

GMO Australia acts as investment manager of the Trust and has delegated some investment management functions to GMO. GMO's appointment may be terminated upon GMO Australia giving not less than 5 business day's written notice, or immediately if certain events occur (for example, if GMO goes into receivership, administration or liquidation).

GMO Australia is a wholly owned subsidiary of GMO (through GMO Australasia, LLC).

Management of the Trust is the responsibility of the investment professionals in GMO's Systematic Global Macro Division. The Systematic Global Macro Division's focus is the management of portfolios, including the Trust, utilising GMO's Systematic Global Macro process.

Jason Halliwell is the Head of the Systematic Global Macro Division. Mr Halliwell has been responsible for overseeing the portfolio management of GMO's Systematic Global Macro portfolios since 1999. Mr. Halliwell has an honours degree in Commerce/Law from Queensland University and has completed postgraduate studies in Financial Mathematics at the University of Technology in Sydney. He is a CFA charterholder.

Sean Gleason is a portfolio manager for the Systematic Global Macro Division. Mr Gleason joined GMO in 1999. Mr Gleason has a Master of Commerce and Bachelor of Science from the University of New South Wales. He is a CFA charterholder.

Jason Halliwell and Sean Gleason spend the majority of their working time in the investment management of the Trust and other accounts utilising GMO's Systematic Global Macro strategy.

Further information regarding the members of the Systematic Global Macro Division is available on GMO's website at www.gmo.com.

Changes to Trust details

GMO Australia may change the investment objective, investment strategy, authorised investments and asset allocation and the other investment information in this section 2 at any time. We will notify unit holders about any material changes in accordance with the requirements under the Corporations Act 2001 (Cth). This may be after the change has occurred.

3. How the GMO SGM Major Markets Trust works

Fund structure

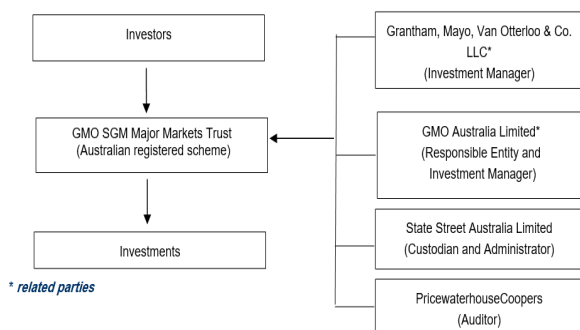
The Trust is an Australian registered managed investment scheme. GMO Australia acts as responsible entity for the Trust. GMO Australia and GMO act as investment managers for the Trust. When you invest in the Trust your money is pooled together with other investors. GMO Australia and GMO use this money to buy and sell assets on behalf of all investors in the Trust.

State Street Australia Limited acts as custodian and administrator to the Trust. State Street Australia Limited is responsible for performing the day-to-day administration of the Trust and for providing fund accounting and unit registry services, including the calculation of the Trust's unit price. Assets of the Trust will generally be held in the name of the custodian or its sub-custodians or the responsible entity. The role of the custodian is limited to holding assets of the Trust and it has no supervisory role in relation to the operation of the Trust. The custodian does not make investment decisions in respect of the assets held or manage those assets. There may be risks involved when holding assets through external service providers. Details of service provider risks can be found in section 5 "Trust Risks".

GMO Australia regularly monitors the performance of State Street Australia Limited against documented service level agreements. GMO Australia has agreements in place with the other service providers to the Trust and has systems in place to regularly monitor the performance and services provided.

PricewaterhouseCoopers acts as auditor to the Trust. The Trust does not use a prime broker.

The diagram below shows the flow of investment money through the structure.



Unit prices

Investors will be issued with interests in the Trust called 'units'. When you invest indirectly through a Service, it will be the Service Operator who receives units in the Trust. Each unit in the Trust confers a proportional beneficial interest in the assets of the Trust as a whole. Investors do not have any entitlement to any particular part of the Trust or any particular assets of the Trust, and have no right to participate in the management or operation of the Trust (other than through unit holder meetings).

The number of units you can purchase will depend on the amount being invested and the investment unit price calculated for the day GMO Australia receives a valid application. The unit price will vary as the market value of the assets in the Trust rises or falls. For current unit prices for the Trust please visit the GMO website (www.gmo.com).

GMO Australia will value the units of the Trust in accordance with the Trust's constitution. Unit prices are generally calculated on each New South Wales business day.

GMO Australia has a Unit Pricing Discretions Policy which sets out how we will exercise discretions in the unit pricing of the Trust. You can obtain a copy of the policy free of charge by contacting GMO Australia.

Valuation, location and custody of assets

The value of the assets and liabilities of the Trust will be calculated by State Street Australia Limited in accordance with pricing methodologies agreed with the Trust. These agreed pricing methodologies provide that:

- (i) Exchange traded futures and other derivatives are valued by reference to the settlement price quoted by the relevant exchange;
- (ii) OTC derivatives, including foreign currency forward contracts, are valued in accordance with third party valuations;
- (iii) Unlisted investments, such as unlisted managed investment schemes, are valued using the net asset value price most recently quoted by the issuer/sponsor;
- (iv) Fixed income securities are valued at the bid price supplied by a relevant pricing source;
- (v) Cash is valued at the amount of the cash deposit.

The Trust's constitution authorises GMO Australia to invest in a wide range of investments. The Trust will typically obtain exposure to global equity, bond, currency and commodity markets through the use of exchange traded and OTC derivatives, including futures, forward currency contracts, swaps, options and

other derivatives. The Trust may also hold cash, fixed income securities, ETFs and other funds.

The Trust typically holds the following investment types:

Investment type	Allocation range
Exchange traded derivatives	0-20%
Over the counter derivatives	0-20%
Cash equivalent instruments	60-100%

The Trust's asset classes are global in nature and the Trust has no particular policy about the geographic location of its assets. Most of the cash and cash equivalents are denominated in AUD and held in Australia. Generally the Trust will hold a large proportion of its assets in cash deposits, held with one or more financial institutions, and fixed income securities (including Treasury Bills).

Some assets of the Trust will be held in the name of the custodian or its sub-custodians. Other assets such as cash deposits and certain over the counter derivatives may be held by GMO Australia on behalf of the Trust. Such assets may represent a significant portion of the assets of the Trust.

Applications and redemptions

The minimum initial investment amount is \$500,000. The minimum amount for an additional investment is \$250,000. GMO Australia may vary or waive the minimum investment amounts at any time. Different minimums may apply when you invest through a Service. For more information on how to make an investment please refer to section 8 "How to apply".

Once invested in the Trust, investors can generally redeem their investment at any time by making a redemption request (subject to certain requirements). The minimum redemption amount is \$250,000 or the whole of the investment if the value of units held is less than \$500,000. GMO Australia may vary or waive the minimum redemption amount at any time. GMO Australia generally pays redemption proceeds within 3 New South Wales business days, however the Trust's constitution allows for up to 21 days to pay redemption proceeds. GMO Australia may choose to suspend redemptions if it believes it is in the best interest of unit holders as a whole, including if any relevant financial market is closed or trading on any such market is restricted or it is not reasonably practicable for GMO Australia to acquire or dispose of assets or to determine or fairly determine the redemption price. In some circumstances, such as where there is a freeze on redemptions or following a distribution made by the

Trust, you may not be able to redeem your funds within the usual period upon a request. If the Trust ceases to be liquid (as defined in the Corporations Act), redemptions will only be permitted if GMO Australia makes a withdrawal offer in accordance with the Corporations Act. GMO Australia is not obliged to make a withdrawal offer. If GMO Australia makes such an offer, and an insufficient amount of money is available from the assets specified in the withdrawal offer to satisfy redemption requests, the requests will be satisfied proportionately amongst the redeeming investors. Under the Corporations Act, a fund is generally illiquid if it has less than 80% liquid assets (generally cash and marketable securities). Unit holders will be notified of any material adverse changes to their redemption rights as required by law.

If GMO Australia receives redemption requests in relation to the Trust that in one day represent 20% or more of the total units in the Trust, the constitution permits GMO Australia to reduce each redemption request so that only 20% of the units are redeemed on that day. The unredeemed units are carried forward to the next NSW business day and GMO Australia may again apply this restriction on each such subsequent day.

Processing

If the Trust's administrator receives an application or redemption request before 12:00pm on a New South Wales business day and it has been completed accurately, the application or redemption price will usually be based on the unit price as at the close of business on that day. Application monies must also be received by the administrator in cleared funds by 12:00 pm on that day. Applications or redemptions received after this cut-off or on a non-business day, will usually be processed using the unit price calculated as at the close of business on the next business day. Depending on the payment method, there may be some delay before monies are received in cleared funds by the administrator. GMO Australia will not be responsible for any such delays.

GMO Australia reserves the right, but is not obliged, to process an application prior to determining whether application monies have cleared in the Trust's application account. Should any loss arise as a result of application monies not clearing the investor will be liable for any related costs such as interest and/or market movements.

You should contact your Service Operator to find out how to apply and redeem from the Trust. Your Service Operator may impose their own minimum application, redemption, processing or other requirements.

Distributions

The Trust intends to make distributions at least annually. Generally, distributions will comprise the taxable income of the Trust (as calculated using Australian tax principles), if any, net of accrued and actual Trust expenses and fees. The Trust may pay distributions periodically (e.g., in advance of large redemption requests). Taxable income will be distributed within a particular class of units. Unrealised capital gains and losses will be reflected in the price of units.

The Trust intends to qualify and be operated as an Attribution Managed Investment Trust ("AMIT") for Australian income tax purposes (discussed in further detail in Section 7). The composition and timing of distributions could affect your tax position. GMO Australia strongly recommends that you seek professional taxation advice.

Unless GMO Australia is otherwise directed in writing by a unit holder not less than one month prior to a distribution date to pay the distribution in cash, amounts distributed by the Trust will be re-invested in units of the Trust.

You should contact your Service Operator to ask about payment and reinvestment options.

Indirect Investors

For indirect investors, it is generally the Service Operator who invests for you that has the rights of a unit holder. The Service Operator may exercise those rights in accordance with their arrangements with you. As you will not be a unit holder you will not have any direct voting rights and will not receive notice of, or be able to attend meetings of, unit holders.

By investing in the Trust through a Service, you will not receive confirmation of transactions, distribution statements, periodic statements, annual reports or annual income statements directly from GMO Australia. These will be provided by GMO Australia to your Service Operator who will report to you on your investments in the Service in accordance with the arrangements governing the Service.

If you are investing through a Service, all enquiries about the Trust should be directed to your Service Operator.

You should also consult your Service Operator to find out about:

- how to transact on your investment;
- cooling-off period and rights in relation to the Service (no cooling-off rights apply to any investments in the Trust through a Service);

- timing of distributions, withdrawals and the processing of transactions through the Service;
- cut-off times for applications and redemptions;
- reporting and other documentation; and
- fees and other costs associated with the Service.

4. Benefits of investing in the GMO SGM Major Markets Trust

Significant features

The Trust's investment objective is long-term total return. GMO Australia aims to produce a portfolio that seeks to outperform the Bloomberg Ausbond Bank Bill Index. The Trust plans to pursue its investment objective by taking long and short positions in a range of global equity, bond, currency and commodity markets using exchange traded and OTC derivatives, including futures, forward currency contracts, swaps and index options. The Trust may also make direct investments, including investing in equities and bonds. The Trust seeks to take advantage of GMO Australia's proprietary investment models for systematic global tactical asset allocation and equity, bond, currency and commodity market selection.

Significant benefits

Investing in the Trust provides a range of benefits including:

- access to a daily priced pooled investment vehicle;
- access to the expertise of an experienced investment manager;
- access to a portfolio with exposure to a range of global asset classes which are actively managed in line with GMO's investment philosophy;
- the potential for returns above the Benchmark;
- regular reporting by GMO Australia; and
- competitive fees.

5. Trust Risks

All investments carry risk. Different investment strategies may carry different levels of risk, depending on the assets that make up the strategy. Assets with the highest long term returns may also carry the highest level of short term risk.

There is no guarantee that the Trust will achieve its investment objective. The value of the investments of the Trust will vary over time as will the level of returns of the Trust. Future returns may differ from past returns. Returns are not guaranteed and unit holders

may lose some of their money. In addition laws affecting registered managed investment schemes may change in the future and this may impact the Trust's ability to achieve its investment objective.

An investment in the Trust can be subject to investment risk, including possible delays in repayment and loss of income or principal invested. An investment in the Trust is not a deposit or liability of GMO Australia, GMO or any of their affiliates and none of these entities stands behind or in any way guarantees the capital value and/or performance of units issued or the assets of the Trust.

Some of the significant risks of the Trust are summarised below. Other risks also apply (including those detailed in the SAI).

Management and Operational Risk: The Trust runs the risk that GMO Australia and/or GMO's investment techniques will fail to produce intended results. The Trust's portfolio managers may use quantitative analyses and models as part of their investment process. The investment manager's models support portfolio decisions but may not accurately predict future market movements or characteristics. In addition, they are based on assumptions that may limit their effectiveness and they rely on data that is subject to limitations (e.g., inaccuracies, staleness) that could adversely affect their value. The Trust also runs the risk that the investment manager's assessment of an investment may be wrong. The Trust also runs the risk that GMO Australia and/or GMO's fundamental assessment (including a security's fundamental fair (or intrinsic) value) of an investment is wrong, or that deficiencies in GMO Australia's, GMO's or another service provider's internal systems or controls will cause losses for the Trust or impair Trust operations.

Futures Contracts Risk: Investment in futures contracts involves risk. A purchase or sale of futures contracts may result in losses in excess of the amount invested in the futures contract.

There is no guarantee that the Trust will be able to enter into an offsetting closing transaction for a purchased or sold futures contract, by selling or purchasing, respectively, an instrument identical to the instrument purchased or sold. In addition, under certain circumstances, futures exchanges may establish daily limits on the amount that the price of a futures contract can vary from the previous day's settlement price, thereby effectively preventing liquidation of unfavorable positions. If the Trust is unable to liquidate a futures position due to the absence of a liquid secondary market or the imposition of price limits or other restrictions, it could incur substantial losses. Furthermore, the Trust would continue to be subject to market risk with respect to the position.

The low initial margin deposits normally required in futures trading permit an extremely high degree of leverage. Accordingly, a relatively small price movement in a futures contract can result in immediate and substantial losses. All participants in the futures markets are subject to margin deposit and maintenance requirements. Instead of meeting margin calls, investors may close futures contracts through offsetting transactions, which could distort normal correlations. The margin deposit requirements in the futures markets are less onerous than margin requirements in the securities market, allowing for more speculators who may cause temporary price distortions.

Credit Risk: This is the risk that the issuer or guarantor of a fixed income investment (including a sovereign or quasi-sovereign debt issuer) or obligors of obligations underlying an asset-backed security will be unable or unwilling to satisfy their obligations to pay principal and interest or otherwise to honour their obligations in a timely manner. The market price of a fixed income investment will normally decline as a result of the issuer's, guarantor's, or obligors' failure to meet their payment obligations. Below investment grade investments have speculative characteristics, and negative changes in economic conditions or other circumstances are more likely to impair the ability of issuers of those investments to make principal and interest payments than is the case with issuers of investment grade investments. Credit risk arises from cash and cash equivalents held by the Trusts with financial institutions. Credit risk also arises from the ability or willingness of underlying funds in which a Trust may invest to realise investments to meet redemptions made by the Trust. A Trust may also be indirectly exposed to the credit risk faced by such underlying funds.

Focused Investment Risk: Investments that are focused on a limited number of asset classes, countries, regions, sectors, currencies, industries or issuers that are subject to the same or similar risk factors or investments whose market prices are closely correlated are subject to higher overall risk than investments that are more diversified or whose market prices are not as closely correlated.

Currency Risk: Fluctuations in exchange rates may adversely affect the market value of the Trust's investments and includes the risk that currencies in which the Trust's investments are traded, in which the Trust receives income and/or in which the Trust has taken an active investment position will decline in value relative to other currencies, in the case of long positions, or increase in value relative to other currencies in the case of short positions, in each case resulting in a loss to the Trust.

Commodities Risk: Commodities prices can be extremely volatile and exposure to commodities can cause the price of the Trust's units to decline and fluctuate in a rapid and unpredictable manner.

Derivatives and Short Sales Risk: The use of derivatives involves the risk that their value may not change as expected relative to changes in the value of the relevant underlying assets, pool of assets, rates, currencies or indices. Derivatives also present other Trust risks, including market risk, illiquidity risk, currency risk and counterparty risk. The market price of an option is affected by many factors, including changes in the market prices or dividend rates of underlying securities (or in the case of indices, the securities in such indices); the time remaining before expiration; changes in interest rates or exchange rates and changes in the actual or perceived volatility of the relevant underlying index or securities. The Trust may create short investment exposure by selling securities short or by taking a derivative position in which the value of the derivative moves in the opposite direction from the price of an underlying asset, pool of assets, rate, currency, or index. In addition, the risk of loss associated with derivatives that provide short investment exposure and short sales of securities are theoretically unlimited.

Market Risk – Equity Securities: The market price of an equity may decline due to factors affecting the issuer, its industries, or the economy and equity markets generally. If the Trust purchases an equity for less than its fundamental fair (or intrinsic) value as assessed by GMO, and GMO's assessment proves to be incorrect, the Trust runs the risk that the market prices of these investments will not appreciate to or will decline. The Trust also may purchase equities that typically trade at higher multiples of current earnings than other securities, and the market prices of these investments often are more sensitive to changes in future earnings expectations than the market price of equities trading at lower multiples. Declines in stock market prices generally are likely to reduce the net asset value of the Trust's units.

Market Risk – Fixed Income: The market price of a fixed income investment can decline due to a number of market-related factors, including rising interest rates and widening credit spreads, or decreased liquidity stemming from the market's uncertainty about the value of a fixed income investment (or class of fixed income investments).

Illiquidity Risk: Low trading volume, lack of a market maker, large position size, or legal or contractual restrictions (including daily price fluctuation limits or "circuit breakers") may limit, delay or prevent the Trust from selling particular investments or closing derivative positions at desirable prices. In addition, the Trust may

buy securities that are less liquid than those in its benchmark.

Leveraging Risk: The Trust's use of short sales, reverse repurchase agreements and other derivatives may cause its portfolio to be leveraged. Leverage increases the Trust's portfolio losses when the value of its investments decline.

Counterparty Risk: The Trust runs the risk that the counterparty to an OTC derivatives contract will be unable or unwilling to make timely settlement payments or otherwise honour its obligations. The credit risk for exchange-traded derivatives is generally less than for OTC derivatives, since the clearinghouse, which is the issuer or counterparty to each exchange-traded derivative, provides additional protections in the event of non-performance by the counterparty. Sometimes the Trust may post or receive collateral related to changes in the market value of a derivative. In addition, the Trust may invest in derivatives that (i) do not require the counterparty to post collateral, (ii) require collateral but that do not provide for the Trust's security interest to be perfected, (iii) require significant upfront deposits unrelated to the derivatives' intrinsic value, or (iv) that do not require the collateral to be regularly marked-to-market (e.g., certain OTC derivatives). Even when obligations are required by contract to be collateralised, there is usually a lag between the day the collateral is called for and the day the Trust receives the collateral. When a counterparty's obligations are not fully secured by collateral, the Trust is exposed to the risk of having limited recourse if the counterparty defaults.

If a counterparty fails to meet its contractual obligations, goes bankrupt, or otherwise experiences a business interruption, the Trust could miss investment opportunities or otherwise be forced to hold investments it would prefer to sell, resulting in losses for the Trust. Counterparty risk is pronounced during unusually adverse market conditions and is particularly acute in environments in which financial services firms are exposed (as they were in 2008) to systemic risks of the type evidenced by the insolvency of Lehman Brothers and subsequent market disruptions. Certain markets in which the Trust may effect transactions are OTC or interdealer markets, and may also include unregulated private markets. The lack of a common clearing facility creates counterparty risk. The participants in such markets typically are not subject to the same level of credit evaluation and regulatory oversight as are members of exchange-based markets. This exposes the Trust to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, thus causing the Trust to suffer a loss. Such "counterparty risk" is accentuated for contracts with longer maturities where events have

more time to intervene in the counterparty's ability to fulfill its obligations, or where the Trust has concentrated its transactions with a single or small group of counterparties. The Trust may also be exposed to similar risks with respect to brokers in jurisdictions where there are delayed settlement periods.

There can be no assurance that a counterparty will be able or willing to satisfy its obligations to pay settlement payments or to otherwise meet its obligations, especially during unusually adverse market conditions. The Trust typically may only close out OTC transactions with the relevant counterparty, and may only transfer a position with the consent of the particular counterparty. When a counterparty's obligations are not fully secured by collateral, the Trust is essentially an unsecured creditor of the counterparty. If the counterparty defaults, the Trust will have contractual remedies, but there is no assurance that a counterparty will be able to meet its obligations pursuant to such contracts or that, in the event of default, the Trust will succeed in enforcing contractual remedies. Counterparty risk still exists even if a counterparty's obligations are secured by collateral if the Trust's interest in collateral is not perfected or additional collateral is not promptly posted as required. Counterparty risk also may be more pronounced if a counterparty's obligations exceed the amount of collateral held by the Trust (if any), the Trust is unable to exercise its interest in collateral upon default by the counterparty, or the termination value of the instrument varies significantly from marked-to-market value of the instrument. To the extent the Trust allows any OTC derivative counterparty to retain possession of any collateral, the Trust may be treated as an unsecured creditor of such counterparty in the event of the counterparty's insolvency.

Due to the nature of the Trust's investments, the Trust may invest in derivatives and/or execute a significant portion of its transactions through a limited number of counterparties and events that affect the creditworthiness of any of those counterparties may have a pronounced effect on the Trust. Additionally, the Trust may be exposed to documentation risk, including the risk that the parties may disagree as to the proper interpretation of the terms of a contract. In addition, the creditworthiness of a counterparty can be expected to be adversely affected by greater than average volatility in the markets, even if the counterparty's net market exposure is small relative to its capital.

The Trust's investment manager evaluates the creditworthiness of the counterparties to the Trust's transactions or their guarantors at the time the Trust enters into a transaction. The Trust is not restricted from dealing with any particular counterparty or from concentrating any or all transactions with one counterparty. The ability of the Trust to transact

business with any one of a number of counterparties, the lack of any meaningful and independent evaluation of such counterparties' financial capabilities and the absence of a regulated market to facilitate settlement may increase the potential for losses by the Trust.

Risks associated with Futures Brokers: The Trust will assume the credit risk associated with placing its cash, margin and securities with brokers, and the failure or bankruptcy of any of such brokers could have a material adverse impact on the Trust. To the extent that the Trust engages in futures and options contract trading and the futures commission merchants with whom the Trust maintains accounts fail to so segregate the Trust's assets, the Trust will be subject to a risk of loss in the event of the bankruptcy of any of its futures commission merchants. If a futures broker of the Trust becomes bankrupt or insolvent, or otherwise default on their obligations to the Trust, the Trust may not receive all amounts owing to it in respect of its trading, despite the clearinghouse fully discharging all of its obligations. In the event of the bankruptcy of a futures broker, the Trust could be limited to recovering only a pro rata share of all available funds segregated on behalf of the futures broker's combined customer accounts. Also, in contrast to the treatment of margin provided for cleared derivatives, the futures broker does not typically notify the futures clearing house of the amount of margin provided by the futures broker to the futures clearing house that is attributable to each customer. Therefore, the Trust is subject to the risk that its margin will be used by the futures clearing house to satisfy the obligations of another customer of the Trust's futures broker. In addition, in the event of the bankruptcy or insolvency of a clearing house, the Trust might experience a loss of funds deposited through its futures broker as margin with the clearing house, a loss of unrealised profits on its open positions, and the loss of funds owed to it as realised profits on closed positions. Such a bankruptcy or insolvency might also cause a substantial delay before the Trust could obtain the return of funds owed to it by a futures broker who was a member of such clearing house. Furthermore, if a futures broker does not comply with the applicable regulations or its agreement with the Trust, or in the event of fraud or misappropriation of customer assets by a futures broker, the Trust could have only an unsecured creditor claim in an insolvency of the futures broker with respect to the margin held by the futures broker. The Trust may carry substantially all of its positions at a single broker, thereby increasing this credit risk.

Foreign Investment Risk: The market prices of foreign investments (particularly in emerging markets) may fluctuate more than those of Australian investments. Many foreign investment markets may be less stable, smaller, less liquid and less regulated than Australian investment markets, and the cost of trading in those

markets often is higher than in Australian markets. Foreign portfolio transactions (including derivatives transactions) may involve higher commission rates, transfer taxes, and custodial costs than similar transactions in Australia. In addition, issuers of foreign securities (particularly those tied economically to emerging countries) often are not subject to as much regulation as Australian issuers, and the reporting, recordkeeping, accounting, custody, and auditing standards to which those issuers are subject often are not as rigorous as Australian standards. In addition, the Trust may be subject to foreign taxes, potentially on a retroactive basis, on (i) capital gains it realises or dividends, interest or other amounts it receives or accrues in respect of foreign investments, (ii) transactions in those investments and (iii) repatriation of proceeds generated from the sale or other disposition of those investments. Any taxes or other charges paid or incurred by the Trust in respect of its foreign investments will reduce its return thereon. The tax laws of some foreign jurisdictions in which the Trust may invest are unclear and interpretations of such laws can change over time, including on a retroactive basis. The Trust may accrue for certain taxes in respect of its foreign investments that it may or may not ultimately pay. Such tax accruals will reduce the Trust's net asset value at the time accrued, even though in some cases, the Trust ultimately may not pay the related tax liabilities. Conversely, the Trust's net asset value will be increased by any tax accruals that are ultimately reversed.

The Trust may seek a refund of taxes paid but runs the risk that its efforts are not successful, causing the Trust to incur additional expenses for no benefit. In addition, the Trust assumes the risk that its pursuit of a tax refund may subject it to administrative and judicial proceedings in the country where it is seeking a refund. The decision to seek a refund is in GMO Australia's sole discretion and, particularly in light of the costs involved, GMO Australia may decide not to seek a refund, even if the Trust is entitled to one. The process of seeking a refund may take years and the outcome of the Trust's efforts to obtain a refund is inherently uncertain. Accordingly, a refund is not typically reflected in the Trust's net asset value until GMO Australia believes that the refund is collectible and free from significant contingencies. In some cases, the amount of such refunds could be material to the Trust's net asset value. If you redeem your units before a potential refund is reflected in the Trust's net asset value, you will not realise the benefit of that refund.

Taxes on non-Australian interest and dividend income are generally withheld in accordance with the applicable country's tax treaty with Australia. Provisions in or official interpretations of the tax treaties with such foreign jurisdictions may change over time and such changes could impact the Trust's eligibility for treaty benefits, if any. The foreign withholding rates applicable to the Trust's investments in certain jurisdictions may

be higher if (among other factors) a significant portion of the Trust is held by non-Australian unit holders.

Also, the responsible entity of the Trust needs a licence to invest directly in securities traded in many foreign securities markets, and the Trust is subject to the risk that such licence held on its behalf is terminated or suspended. In some foreign securities markets, prevailing custody and trade settlement practices (e.g., the requirement to pay for securities prior to receipt) expose the Trust to credit and other risks with respect to participating brokers, custodians, clearing banks or other clearing agents, escrow agents and issuers. Further, adverse changes in investment regulations, capital requirements or exchange controls could adversely affect the value of the Trust's investments.

These and other risks (e.g., nationalisation, expropriation, or other confiscation of assets of foreign issuers, limitations on, or difficulties enforcing, legal judgments or contractual rights and geopolitical risks) tend to be higher for investments in the securities of companies tied economically to emerging markets, the economies of which may be predominantly based on only a few industries or dependent on revenues from particular commodities. The economies of emerging countries often are more volatile than the economies of developed markets.

Market Disruption and Geopolitical Risk: Geopolitical and other events (e.g. wars, pandemics, sanctions and terrorism) may disrupt securities markets and adversely affect the general economy or particular economies and markets. Those events, as well as other changes in foreign and domestic economic and political conditions, could exacerbate other risks or otherwise reduce the value of the Trust's investments.

Large unit holder Risk: If a large number of units of the Trust are held by a single unit holder (e.g., an institutional investor or another GMO fund) or a group of unit holders with a common investment strategy, the Trust is subject to the risk that these investors will purchase, redeem, reallocate or rebalance their investments in large amounts and/or on a frequent basis, resulting in substantial withdrawals from, or investments into, the Trust. A redemption by those unit holders of all or a large portion of the Trust's units may adversely affect the Trust's performance by forcing the Trust to sell securities potentially at disadvantageous prices. Redemptions of a large number of units also may increase transaction costs or, by necessitating a sale of portfolio investments, have adverse tax consequences for unit holders. Applications and redemptions of units by a large unit holder or a group of unit holders could limit the deductibility of certain losses (from an Australian tax perspective) that would otherwise reduce the Trust's taxable income. In such cases, unit holders may bear more taxes than would have otherwise been the case.

Fund of Funds Risk: Investments by the Trust in pooled investment vehicles may involve additional and/or a layering of fees, expenses, charges and other costs. In addition, there is no assurance that the investments or investment strategies employed by any underlying fund will be successful. The Trust is also indirectly exposed to all of the risks of its investment in the underlying funds in which it invests, including the risk that those underlying funds (including ETFs) will not perform as expected.

Service Provider Risk: The Trust relies on external service providers in connection with its operation and investment activities. This includes fund administration, custody and audit. There is a risk that these service providers may not meet their contractual obligations or seek to terminate their services to the Trust. In this situation, the Trust may be required to replace a service provider and this may lead to a disruption of its activities.

The appropriate level of risk for you will depend on factors including your age, investment time frames, where other parts of your wealth are invested and your risk tolerance. Your financial adviser or planner should be able to help determine the appropriate level of risk for you.

6. Fees and other costs

DID YOU KNOW?

Small differences in both investment performance and fees and costs can have a substantial impact on your long term returns.

For example, total annual fees and costs of 2% of your investment balance rather than 1% could reduce your final return by up to 20% over a 30 year period (for example, reduce it from \$100 000 to \$80 000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.

You may be able to negotiate to pay lower fees. Ask the fund or your financial adviser.

TO FIND OUT MORE

If you would like to find out more, or see the impact of the fees based on your own circumstances, the **Australian Securities and Investments Commission (ASIC)** Moneysmart website (www.moneysmart.gov.au) has a managed funds fee calculator to help you check out different fee options.

The following table shows fees and other costs that investors may be charged in the Trust and can be used to compare fees and costs between different funds. These fees and costs may be deducted from your money, from the returns on your investment or from the Trust's assets as a whole. Taxation information is set out in another part of this document.

You should read all information about fees and costs because it is important to understand their impact on your investment.

Fees and Costs Summary

TYPE OF FEE OR COST	AMOUNT	HOW AND WHEN PAID
Ongoing annual fees and costs		
<i>Management fees and costs</i> The fees and costs for managing your investment. All fee rates are inclusive of GST and net of any applicable Input Tax Credits and/or Reduced Input Tax Credits).	1.011% p.a.*	Paid monthly in cash from Trust assets
<i>Performance fees</i> Amounts deducted from your investment in relation to the performance of the product	Nil	No performance fee is charged in relation to GMO SGM Major Markets Trust
<i>Transaction costs</i> The costs incurred by the scheme when buying or selling assets	0.05% p.a.**	The transaction costs are deducted from the assets of the Trust as and when incurred and are reflected in the unit price.

TYPE OF FEE OR COST	AMOUNT	HOW AND WHEN PAID
Member activity related fees and costs (fees for services or when your money moves in or out of the scheme)		
<i>Establishment fee</i> The fee to open your investment	Nil	N/A
<i>Contribution fee</i> The fee on each amount contributed to your investment	Nil	N/A
<i>Buy-sell spread</i> An amount deducted from your investment representing costs incurred in transactions by the scheme	Nil	N/A
<i>Withdrawal fee</i> The fee on each amount you take out of your investment	Nil	N/A
<i>Exit fee</i> The fee to close your investment	Nil	N/A
<i>Switching fee</i> The fee for changing investment options	Nil	N/A

* Management fees and costs are accrued daily on the prior-day net asset value of the Trust (adjusted for investor transactions). The Trust has not incurred any Indirect Costs. Unless otherwise stated, all fees quoted in this PDS are quoted on a GST inclusive basis and net of any applicable Input Tax Credits and/or Reduced Input Tax Credits. "GST" has the meaning given in the A New Tax System (Goods and Services Tax) Act 1999 (Cth). Fees in this PDS can be individually negotiated where the investor is a wholesale client under the Corporations Act. In addition to the base fee, GMO Australia may individually negotiate a performance fee with wholesale clients (within the meaning of the Corporations Act). This performance fee is payable by the client to GMO Australia and is not incorporated in the daily unit price.

**Transaction costs are quoted exclusive of GST.

Example of annual fees and costs for the Trust

The following table gives an example of how the fees and costs for the Trust can affect your investment over a 1 year period. You should use this table to compare this product with other managed investment products.

EXAMPLE - GMO SGM Major Markets Trust* BALANCE OF \$50 000 WITH TOTAL CONTRIBUTIONS OF \$5 000 DURING YEAR		
Contribution Fees	Nil	For every additional \$5,000 you put in you will be charged \$0.
PLUS Management Fees and Costs	1.011% p.a.	And for every \$50,000 you have in the Trust you will be charged or have deducted from your investment \$505.50 each year
PLUS Performance fees	0.0% p.a.	No performance fee is charged in respect of the Trust.
PLUS Transaction costs	0.05% p.a.	And , you will be charged or have deducted from your investment \$25.00 in transaction costs.
EQUALS Cost of fund	1.061% p.a.	If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during that year, you would be charged fees of: \$530.50* What it costs you will depend on the fees you negotiate

*This amount assumes you are invested for the whole year. In addition to the management fee, GMO Australia may individually negotiate a performance fee with wholesale clients (within the meaning of the Corporations Act). This performance fee is payable by the client to GMO Australia and is not incorporated in the daily unit price.

Additional explanation of fees and costs

Management fees and costs

Management fees and costs comprise the additional fees or costs that a unit holder incurs by investing in the Trust rather than by investing directly in the assets.

Management fees and costs include the management fee payable to GMO Australia plus any non-routine expenses payable from the Trust. Management fees and costs include indirect costs but do not include the costs described in the "Transaction costs" section below. Management fees and costs are based on estimates current as at 30 June 2023. Management fees and costs are payable from the Trust's assets and are not paid directly from your investment.

Payment of expenses

GMO Australia will generally meet the routine expenses of the Trust. Subject to the constitution, GMO Australia has discretion to classify expenses as routine or otherwise, but generally interprets routine expenses as those expenses associated with the normal annual cycle of operation of the Trust. Routine expenses may include audit expenses, administration fees, custody

expenses, statutory reporting, unit holder reporting, unit registry services, the printing and posting of reports and notices to unit holders, and the routine non-investment related tax services and non-investment related legal services provided for the Trust by or at the direction of GMO Australia.

Non-routine expenses are generally paid or reimbursed by the Trust. These may include, any government duties and charges, all financial institutions duties and bank account taxes, certain taxes, brokerage filing fees and related transactions charges arising from the receipt, collection, acquisition, investment, disposal or distribution of money or other property of the Trust (including receipt of application money), investment related tax services and investment related legal services provided for the Trust by or at the direction of GMO Australia and any litigation costs incurred in relation to the Trust. These expenses are an additional cost to unit holders.

Indirect costs

Indirect costs generally include management fees and costs (if any) from underlying funds and a reasonable estimate of certain costs of investing in OTC derivatives to gain investment exposure to assets or implement the Trust's investment strategy. Indirect costs of the Trust are reflected in the unit price and borne by unit holders, but they are not paid to GMO Australia or GMO.

Taxation costs

Taxation information is set out in section 7 of this document.

Transaction costs

In managing the assets of the Trust, the Trust may incur transaction costs ("Transactional Costs") such as brokerage, settlement costs, clearing costs and applicable stamp duty when assets are bought and sold, the costs of (or transaction costs associated with) certain derivatives (such as derivatives used for hedging).

Transaction Costs arise through the day-to-day trading of the Trust's assets or may arise when there are applications or withdrawals which cause net cash flows into or out of the Trust. These are reflected in the Trust's unit price.

GMO Australia estimates that the total Transaction Costs for the Trust during the year ended 30 June 2023 were 0.05% of the net asset value of the Trust, of which nil was recouped via a Buy or Sell spread (see below) when applications or redemptions took place, resulting in net Transactional Costs of 0.05%. The dollar value of these net Transactional Costs over a 1 year period based on an average account balance of

\$50,000 is \$25. However, such costs for future years may differ.

As net Transaction Costs are factored into the asset value of the Trust's assets and reflected in the unit price, they are an additional cost of investment to the investor when they have not already been recovered by the Buy/Sell Spread charged by GMO Australia. They are not a fee paid to GMO Australia or GMO.

Buy/Sell Spread

When calculating the issue price of units in the Trust, GMO Australia will make an estimate of the costs attributable to the purchase or acquisition of the Trust's assets. This estimate is referred to as the Buy Spread. Similarly, when calculating the redemption price of units in the Trust, GMO Australia will make an estimate of the costs attributable to the sale or disposal of the Trust's assets. This estimate is referred to as the Sell Spread. The Buy/Sell Spread is used to apportion these transaction costs to the unit holders transacting rather than the other unit holders in the Trust. The Buy/Sell Spread is an additional cost to the investor but is incorporated into the unit price and incurred when an investor invests in or withdraws from the Trust. The Buy/Sell Spread is paid into the Trust and is not paid to GMO Australia.

Currently there is no Buy or Sell Spread for the Trust. GMO Australia may vary the allowance for the Buy/Sell Spread to reflect changes in the costs of investing new funds and/ or generating funds to meet redemptions. Based on the current Buy/Sell Spread, the dollar value of these costs based on an application or withdrawal of \$50,000 is nil for each application or withdrawal.

Differential fees

GMO Australia may in its discretion and in accordance with relevant ASIC policy and the Corporations Act negotiate a rebate or waiver of part of the management fees and costs with wholesale clients, as defined by the Corporations Act. Any fee rebate or waiver is subject to GMO Australia satisfying the requirements of ASIC policy and the Corporations Act. Any differential fee arrangement will not adversely affect the fees paid or to be paid by unit holders who are not entitled to the fee arrangements.

Fee changes

The Trust constitution sets the maximum fees payable. The constitution allows for management fees and costs of up to 20%. The constitution also allows for contribution fees (of up to 5% of each investment) and withdrawal fees (of up to 5% of each investment). The fees currently charged for the Trust are as set out in this PDS. GMO Australia will give unit holders at least 30 days notice of any increase in the fees associated with the Trust.

Service Fees

If you direct your Service Operator to invest in the Trust on your behalf, you will pay the fees set out in your Service's disclosure document, which may include the fees described in this PDS. Please refer to your Service's disclosure document for the fees applicable to your investment.

7. How managed investment schemes are taxed in Australia

Investing in a registered managed investment scheme is likely to have tax consequences. The income taxation information below is of a general nature only and applies to unit holders who hold their units in the Trust on capital account (rather than revenue account). You are strongly advised to seek professional tax advice, as tax and social security laws are complex and subject to change, and unit holders' individual circumstances vary.

The Trust is an Australian resident trust for Australian tax purposes and on the basis that the income of the Trust is distributed or attributed to unit holders on an annual basis, the Trust should be treated as a "flow through" entity for Australian tax purposes. Income distributed or attributed to unit holders should generally retain its character in the hands of the unit holder.

AMIT election

The Trust intends to qualify and be operated as an AMIT for Australian income tax purposes.

Qualification as an AMIT depends on a variety of factors and the Trust cannot guarantee it will qualify as such. If the Trust is unable to qualify as an AMIT, capital account elections may be unavailable to the Trust, and certain distributions to non-Australian unit holders could be subject to a higher rate of Australian withholding taxes. The tax treatment of distributions made and/or income that is attributed in the hands of unit holders may depend on the type of income recognised by the Trust and whether the unit holders are Australian residents from a tax perspective. The types of distributions that the Trust may make include investment income (such as interest and dividends), net capital gains, a capital gains tax concession component, tax deferred return of capital amounts, franking credits from certain dividends and foreign income tax offsets (in respect of certain foreign tax paid on foreign source income and/or capital gains).

The Trust intends to distribute and/or attribute all of its taxable income (as determined under the Trust Constitution) to its unit holders. Provided the activities

of the Trust are limited to that of an "eligible investment business" (as defined for Australian tax purposes), the Trust should not be considered a "public trading trust". Therefore, the Trust should not be subject to Australian income taxation but rather the unit holders are assessed for tax on any income and capital gains generated by the Trust provided they are distributed and/or attributed to unit holders.

Taxation of unit holders

Unit holders will be provided with an AMIT Member Annual Statement ("AMMA Statement") setting out the taxable income arising from their investment in the Trust to assist in the preparation of their income tax return.

The Trust may make total distributions during a taxable year of an amount that exceeds the Trust's taxable income for that year, in which case the excess may be treated as a return of capital (which would reduce a unit holder's cost base in its units, with any amounts exceeding that base treated as a capital gain). A return of capital is generally not immediately assessable to unit holders, to the extent such amount does not exceed a unit holder's cost base. Such amounts reduce a unit holder's cost base in its units, thus reducing any loss or increasing any gain on a subsequent taxable disposition by the unit holder of its units. In the case of amounts attributed by an AMIT, such amounts can reduce a unit holder's cost base in a similar way to other trusts. However, the AMIT regime also allows upward cost base adjustments to occur where the taxable income attributed exceeds the distribution made. The effect of an upward cost base adjustment would be to increase a unit holder's cost base in its units, thus reducing any gain or increasing any loss on a subsequent taxable disposition by the unit holder of its units.

Details of certain cost base adjustments will be included in the AMMA Statement.

Losses

Where the Trust is in a tax loss position in a particular year, the loss is retained in the Trust and is not distributable to unit holders. The loss can be carried forward by the Trust and used to offset assessable income in a future year (subject to satisfaction of certain loss integrity rules).

Disposals of units

If unit holders make withdrawals from the Trust or transfer any of their units to a third party, or any of their units are redeemed, these events may constitute a disposal for tax purposes. The tax consequences of a disposal depend on the particular circumstances of each unit holder. Certain unit holders who hold units of the Trust for more than 12 months may be entitled to a

capital gains tax discount in relation to the disposal of their units in the Trust. Proceeds from withdrawals from an AMIT may also contain a component of taxable income.

Cost base adjustments to the unit holder's units may need to be taken into account in calculating the gain or loss from a disposal.

Tax File Number/Australian Business Number

Unit holders will be able to quote their tax file number ("TFN") or Australian Business Number ("ABN") (as appropriate) to the Trust in the application form. It is not compulsory for an Australian unit holder to quote their TFN or ABN. However, if a TFN or ABN is not quoted, or an appropriate exemption from quoting a TFN/ABN is not provided, tax will be deducted at the highest marginal tax rate from the amount distributed.

Non-resident unit holders

If you are determined to be a non-resident for Australian income tax purposes (based on the information included within your application form), Australian withholding tax may be deducted from certain distributions made to you, including in respect of taxable income that is attributed to you. The rules regarding the application of treaty rates and your local tax implications are complex (in particular as some investment management functions have been delegated to GMO) and are country/unit holder-specific. You are strongly advised to seek professional tax advice regarding your treaty eligibility and the most appropriate manner by which to evidence your treaty eligibility, if applicable.

The Australian Taxation Office requires the Trust to file certain information regarding unit holder accounts and transactions. In certain cases, the Trust may be required to amend tax information reported to unit holders in respect of a particular year. In this event, unit holders may be required to file amended tax returns in respect of such information, pay additional taxes (potentially including interest and penalties), and incur other related costs.

GST

References to the term "GST" in this document refer to the term as defined and outlined in the *A New Tax System (Goods and Services Tax) Act 1999*. GST amounts are subject to change and are dependant upon several of factors.

The acquisition or disposal of units by unit holders should not be subject to GST. In addition, there should be no GST payable on any fund distributions to unit holders. Separately, unit holders may incur GST on costs relating to their unit holding (e.g., financial advice sought in relation to the investment or subsequent

divestment of units). Where unit holders are not registered for GST, there will be no entitlement to claim input tax credits for the GST incurred on these costs. Where unit holders are registered for GST, advice should be sought in relation to whether input tax credits are available.

The above disclosures are based on current taxation law and market practice as at the date of this PDS.

8. How to apply

Indirect investors who wish to access the Trust via a Service should contact their Service Operator to make an application for units in the Trust. Application monies must be paid in accordance with any instructions specified by your Service Operator.

You should refer to your Service's disclosure document for further information on applications through the Service.

GMO Australia reserves the right to accept or reject applications at its discretion and delay processing of applications where it believes this to be in the best interest of unit holders.

Cooling off

You cannot exercise any cooling off rights directly with GMO Australia in relation to an investment in the Trust through a Service. Indirect investors should contact their Service Operator and read the Service's offer document for information on any cooling off rights that may apply in relation to the Service.

Complaints

If you are investing through a Service, complaints may be directed to the Service Operator. Any investor wishing to make a complaint can also contact GMO Australia:

Attention: GMO Australia Client Relations

Mail: P.O. Box R1817, Royal Exchange, NSW 1225

Email: sydcst@gmo.com

GMO Australia will:

- acknowledge any complaint in writing and inform the investor when they should expect to receive an answer or feedback; and
- endeavour to ensure that all complaints will be properly considered and dealt with in a timely manner, generally within 30 days. Some types of complaints such as more complex complaints may have a different response time-frame. We will let you know if a different time-frame will apply to your complaint.

GMO Australia is a member of the Australian Financial Complaints Authority. This is an independent body whose purpose is to address the complaints from investors where the investor is not satisfied with the outcome of GMO Australia's complaint resolution process. The contact details for the Australian Financial Complaints Authority are set out below:

Telephone: 1800 931 678

Website: www.afca.org.au

Email: info@afca.org.au

Mail: GPO Box 3, Melbourne, Victoria, 3001

9. Other information

Progress Reports and Accounts

To keep unit holders fully informed about their investments, GMO Australia will provide:

- monthly and a quarterly report reviewing the operation of the Trust; and
- a copy of the annual report for the Trust which includes the annual audited accounts and independent audit report of the Trust.

This information is available on GMO's web site, www.gmo.com.

The reporting provided by GMO Australia meets:

- (1) all aspects of the ASIC monthly reporting benchmark; and
- (2) some, but not all, aspects of the ASIC annual reporting benchmark. In particular, reporting for the Trust does not include:
 - the liquidity profile of the Trust's assets;
 - the maturity profile of the Trust's assets; or
 - the Trust's leverage ratio.

However information on those aspects of the ASIC annual reporting benchmark may be ascertained from the annual report for the Trust. In addition reporting for the Trust does not include information regarding the specific derivative counterparties engaged by the Trust because we consider that this information is commercially sensitive.

By investing in the Trust through a Service, you will not receive this information directly from GMO Australia. This information will be provided by GMO Australia to your Service Operator who will report to you on your investments in the Service in accordance with the arrangements governing the Service.

If you would like further information about these aspects of the Trust's operations please contact GMO Australia.

Retaining your PDS

You should keep a copy of the current PDS for future reference. You can obtain a copy of the current PDS,

free of charge, by either visiting GMO's website (www.gmo.com) or by contacting GMO Australia.

Constitution

The Trust operates under a constitution. This PDS summarises some of the provisions of the constitution but is qualified in its entirety by reference to the actual provisions of the constitution. Copies of the Trust constitution are available at no cost from GMO Australia on request. Persons contemplating investing in the Trust will be taken to have read and understood the constitution

Compliance

The Trust has a compliance plan and is supervised by a compliance committee constituted with a majority of external members. This committee generally meets quarterly. Copies of the Trust's compliance plan are available at no cost from GMO Australia on request.

Related parties

GMO Australia and GMO are the investment managers of the Trust. GMO Australia has appointed GMO as an investment manager on commercial arm's length terms. GMO Australia is the responsible entity of the Trust and a subsidiary of GMO. This may give rise to conflicts of interest. Related party transactions also carry a risk they could be assessed and monitored less rigorously than transactions with unrelated third parties. GMO Australia has sought to mitigate these risks by putting in place a conflicts of interest and related party policy that governs the way GMO Australia deals with conflicts or related party transactions. GMO Australia has the policies and procedures in place to manage conflicts through controlling, avoiding or disclosing conflicts.

Updated Information Available

The information in this PDS may change over time. Where information changes that is not materially adverse to investors, we will update this information. Up to date information, including information on the Trust's performance, funds under management, and financial highlights is available on GMO's web site, www.gmo.com. Paper copies of this information are available from GMO Australia's office during business hours at no cost.

Privacy

By investing in the Trust, you acknowledge and agree that your personal information may be handled by GMO Australia and its service providers in the manner set out below. GMO Australia collects your personal information to process and administer your investment in the Trust and to provide you with information about your investment in the Trust. Some of this information is required by anti-money laundering laws and may be required to be kept on a register in accordance with the

Corporations Act 2001. GMO Australia may not be able to process your application to invest in the Trust if you do not provide all or part of the information to us.

GMO Australia may disclose your personal information for purposes related to your investment, to GMO Australia's affiliates, agents and service providers. In order to use and disclose your personal information for the purposes stated above, GMO Australia may be required to transfer your personal information to entities located outside Australia where it may not receive the level of protection afforded under Australian law. GMO Australia may disclose your personal information to the United States, United Kingdom, Singapore and other countries. By investing in the Trust, you consent to your personal information being transferred overseas for these purposes. GMO Australia would like to retain and use the personal information you provide to keep you informed about future investment opportunities. GMO's privacy policy contains further information about GMO Australia's privacy practices, including our rights to access and correct your personal information, and to make a complaint regarding our use, holding or disclosure of your personal information. You can obtain a copy of the policy free of charge by contacting GMO Australia. In addition to the information described herein, unit holders should refer to the FATCA and CRS disclosures described below.

FATCA

The Foreign Account Tax Compliance provisions of the U.S. Hiring Incentives to Restore Employment Act ("FATCA") generally impose a U.S. federal reporting and withholding tax regime with respect to certain U.S. source income earned (including dividends and interest and certain payments with respect to derivative instruments that are determined to be "dividend equivalent" payments). As a general matter, these rules are designed to require certain U.S. persons' direct and indirect ownership of certain non-U.S. accounts and non-U.S. entities to be reported to the U.S. Internal Revenue Service ("IRS"). A 30% withholding tax may be applied if there is a failure to provide required information regarding U.S. ownership or otherwise comply with the requirements of FATCA. In the event of a delay or failure by the applicant to produce any information required for verification purposes, GMO Australia and/or SSAL may refuse to process subscription requests. If a unit holder does not provide the required forms, certifications, information or documentation requested, that unit holder may be subject to adverse U.S. federal and/or other tax consequences.

Under these reporting and withholding rules, "withholdable payments" made to the Trust generally

will be subject to 30 per cent withholding tax unless the Trust: (i) enters into (or qualifies for an exemption from entering into) an agreement with the IRS pursuant to which the Trust agrees to report to the IRS information about its U.S. unit holders and certain U.S. persons that indirectly hold an interest through non-U.S. unit holders and to comply with other reporting, withholding, verification, due diligence and other procedures established by the IRS, including a requirement to seek waivers of non-U.S. laws that would prevent the reporting of such information; or (ii) satisfies the requirements of (including any rules or regulations implemented pursuant to) an intergovernmental agreement (an "IGA"). In this respect, Australia and the United States entered into an IGA with respect to FATCA implementation (the "Australian IGA"). The Trust intends to comply with FATCA as modified by the terms of the Australian IGA and Australian tax guidance, which generally requires the Trust to obtain and provide to the Australian Taxation Office, certain information from unit holders, and to meet other requirements. If the Trust complies with its obligations under the Australian IGA and if Australia also complies with its obligations under the Australian IGA, the Trust will not be subject to U.S. withholding taxes under FATCA.

FATCA also provides that payments from the Trust to any unit holder that are attributable to withholdable payments and certain other payments that could be deemed to be "passthru payments" within the meaning of the U.S. Internal Revenue Code will generally be subject to a 30% withholding tax if there is a failure to provide information, representations, and waivers of non-U.S. law as may be required to comply with the provisions of the rules, including in certain cases, information regarding certain U.S. direct and indirect owners of such unit holders. The U.S. Treasury Department and the IRS continue to consider the feasibility of a system for implementing withholding on passthru payments. The failure of a unit holder to provide such information also may result in other adverse consequences applying to a unit holder. The Trust may disclose any unit holder information, certifications or documentation to the Australian Taxation Office, the IRS and/or other parties as necessary or advisable to comply with FATCA or other requirements. If the Trust were to become a member of an "expanded affiliated group" or have a "Related Entity" within the meaning of an IGA, this status could adversely affect the FATCA status of the Trust and reduce the Trust's investment returns. The requirements of and exceptions from FATCA are

complex and remain potentially subject to material changes resulting from additional guidance from the IRS and the Australian Taxation Office. In addition, certain other countries have passed or may in the future pass legislation similar to FATCA, which may impact the Trust and the unit holders. Each prospective unit holder is urged to consult its tax adviser regarding the applicability of FATCA and any other reporting requirements with respect to the prospective unit holder's own situation.

Common Reporting Standard

The Organisation for Economic Co-operation and Development ("OECD") Common Reporting Standard ("CRS") initiative requires the Trust to obtain and provide to the Australian Taxation Office, certain information of unit holders and their transactions with the Trust. Unit holders are requested to provide certain information and certifications to ensure compliance with the CRS. Such information may be provided to the unit holders' local tax authority and other authorities. In addition, the Trust must meet certain other requirements and follow related CRS due diligence procedures in respect of unit holders and their indirect investors, principals, partners, beneficial owners or controlling persons. In the event of a delay or failure by the applicant to produce any information required for verification purposes, GMO Australia and/or SSAL may refuse to process subscription requests. If a unit holder does not provide the required forms, certifications, information or documentation requested, such unit holder may be subject to adverse Australian and/or other tax consequences. Each prospective unit holder is urged to consult its tax adviser regarding the applicability of CRS and any other reporting requirements with respect to the prospective unit holder's own situation.

Base Erosion Profit Shifting and Related Proposals

OECD proposals regarding the Base Erosion and Profit Shifting ("BEPS") initiative were released during 2015. Subsequent to the BEPS measures, the OECD has also now endorsed a global initiative focussed on taxing profits in jurisdictions where they are earned and establishing a global minimum tax to combat Base Erosion and Profit Shifting. The mechanics through which these measures will be implemented into law are complex, remain uncertain and will depend on the interaction of implementing legislation as adopted by various countries. These changes may significantly alter unit holders' after-tax returns.

Further, the Australian Government has announced that it will adopt legislation to implement the OECD Global Anti-Base Erosion Pillar Two rules in Australia, effective for income years commencing on or after January 1, 2024. This implementation is consistent with a global initiative that seeks to stem perceived inequities arising from the coexistence of fundamentally different tax regimes throughout the world. Very generally, this international initiative focuses on enabling countries to tax profits in jurisdictions where profits are earned and on setting a global minimum tax that would apply to certain multinational businesses and entities. These changes may significantly alter unit holders' after-tax returns.

Identification and Verification Documentation

GMO Australia and State Street Australia Limited will need to collect information from unit holders in order to verify their identity in accordance with Australian Anti-Money Laundering and Counter-Terrorism Financing laws. The type, and amount, of verification information required will vary depending on the nature of the investor. We may also require information to verify the identity of underlying beneficial owners of a unit holder or a unit holder's units in the Trust and the source of any application monies. We will not be able to process an application or issue units in the Trust until this information is provided. After an application has been processed we may also require further information from unit holders from time to time. In order to comply with our obligations under the law we may need to delay, block, freeze or refuse transactions in relation to a unit holder's account. This may impact your investment and its returns. GMO Australia may also be required to report information about unit holders to relevant authorities, including the Australian Transaction Reports and Analysis Centre (AUSTRAC).