EMERGING COUNTRY DEBT FUND

Quarterly Investment Review

PRODUCT OVERVIEW

The GMO Emerging Country Debt Fund's objective is total return in excess of the J.P. Morgan Emerging Markets Bond Index Global Diversified (EMBIG-D). Since its inception in 1994, the Fund has employed a broad opportunity set, investing across all forms of emerging market debt, including securities, derivatives, and private instruments, in both hard and local currencies. The investable universe covers a wide range of issuer types (sovereigns, corporates, project finance) and credit qualities defined by credit rating agencies, ranging from high credit quality (e.g., AA) to default (e.g., D), though the portfolio's overall duration, currency, country, and credit quality exposures are managed mindful of the EMBIG-D.

MAJOR PERFORMANCE DRIVERS

The J.P. Morgan EMBI Global Diversified (EMBIG-D) benchmark returned 4.6% in the most recent quarter. The index's spread over Treasuries (duration-weighted) tightened by 44 bps, ending the period at 196 bps, resulting in a spread return of 4.5%. Meanwhile, the 10-year Treasury yield rose by 15 bps to finish at 4.47%, contributing to an interest rate return of 0.2%.

The portfolio experienced positive alpha from both country and security selection for the period. In terms of country selection, the portfolio's overweight position in Ukraine (+25.9%, total return) had the most significant positive impact, followed by an overweight in Venezuela (+7.9%) and an underweight in Indonesia (+1.9%). Additionally, underweight positions in Malaysia (+1.6%) and overweight positions in Argentina (+10.6%) contributed positively. Conversely, the portfolio's overweight positions in Mexico (+3.1%), Brazil (+2.2%), Poland (+2.4%), and Costa Rica (+4.2%) slightly detracted from country selection alpha.

In the in-index security selection category, Venezuela, Brazil, Mexico, and Argentina provided significant positive contributions to alpha, while Türkiye and Ukraine were notable detractors. Among the out-of-index countries, Albania and supranational entities positively impacted alpha, whereas Israel and Tunisia were the main detractors. Within the quasi-sovereign category, Brazil and Venezuela emerged as top contributors, while Türkiye and Colombia were among the leading detractors.

As of the end of the period, the portfolio's largest overweights are Venezuela, Türkiye, and Argentina, while the largest underweights are Indonesia, China, and Malaysia. During the period, there were notable changes in the portfolio's country exposures. The United Arab Emirates shifted from an underweight to an overweight position, while the underweight position in Indonesia decreased. Additionally, the overweight position in Colombia decreased significantly during the period.

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ANNUALIZED RETURNS (USD, %) (QUARTER-END)

	Quarter-End	*YTD*	*1-Year*	*3-Year*	*5-Year*	*10-Year*	*Since Inception*
Emerging Country Debt Fund (net)	6.98	9.45	23.74	19.25	8.00	6.88	12.41
Emerging Country Debt Fund (gross)	7.13	9.74	24.41	19.89	8.58	7.45	13.03
J.P. Morgan EMBI Global Diversified +	4.63	3.32	11.78	10.32	2.58	3.52	8.37
Value Add	+2.35	+6.14	+11.96	+8.93	+5.42	+3.36	+4.04

Net of all fees and expenses after reimbursement by the Manager, but not transaction costs, if any. If certain expenses were not reimbursed, performance would be lower. Gross of fees, expenses and transaction costs, if any. If these fees, expenses and costs were included, performance would be lower. **Performance data quoted represents past performance and is not indicative of future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance data may be lower or higher than the performance data provided herein. To obtain performance information to the most recent month-end, visit www.gmo.com.**

Inception Date: 19-Apr-94

Performance for the year of inception is less than a full calendar year. Returns shown for periods greater than one year are on an annualized basis.

Risks: Risks associated with investing in the Fund may include: (1) Credit Risk: the risk that the issuer or guarantor of a fixed income investment or the obligor of an obligation underlying an asset-backed security will be unable or unwilling to satisfy its obligation to pay principal and interest or otherwise to honor its obligations in a timely manner; (2) Market Risk - Fixed Income Investments: 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); and (3) Illiquidity Risk: Low trading volume, lack of a market maker, large position size, or legal restrictions may limit or prevent the Fund from selling particular securities or closing derivative positions at desirable prices. For a more complete discussion of these and other risks, please consult the Fund's Prospectus. **Performance Returns:** Annualized Returns may include the impact of purchase premiums and redemption fees. The GMO Trust funds are distributed in the United States by Funds Distributor LLC. GMO and Funds Distributor LLC are not affiliated.

Net Expense Ratio: 0.62%; Gross Expense Ratio: 0.62% Net Expense Ratio reflects the reduction of expenses from fee reimbursements. The fee reimbursements will continue until at least 30 June 2026. Elimination of this reimbursement will result in higher fees and lower performance. Gross Expense Ratio is equal to the Funds Total Annual Operating Expenses set forth in the Funds most recent prospectus dated 30 June 2025.

IMPORTANT INFORMATION

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

Benchmark(s): The J.P. Morgan EMBI (Emerging Markets Bond) Index Global Diversified + is an internally maintained benchmark computed by GMO, comprised of (i) the J.P. Morgan EMBI+ Index through 12/31/1999, (ii) the J.P. Morgan EMBI Index Global through 2/28/2020, and the J.P. Morgan EMBI Index Global Diversified (iii) thereafter.

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ABOUT GMO

Founded in 1977, GMO is a global asset manager committed to delivering superior performance and advice to our clients. We are privately owned, which allows us to singularly focus on our sole business – achieving outstanding long-term client investment outcomes. Offering multi-asset, equity, fixed income, and alternative strategies, we invest with a long-term, valuation-based philosophical approach.

AMSTERDAM | BOSTON | LONDON | SAN FRANCISCO* | SINGAPORE | SYDNEY | TOKYO**

*GMO's West Coast Hub is comprised of members of Investment, Global Client Relations, and other teams located in and around the Greater San Francisco area
**Representative Office