EMERGING COUNTRY LOCAL DEBT STRATEGY

Quarterly Investment Review

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

	Quarter-End	*YTD*	*1-Year*	*3-Year*	*5-Year*	*10-Year*	*Since Inception*
Emerging Country Local Debt Strategy (net)	-1.25	-1.25	16.47	12.03	5.73	4.70	2.70
Emerging Country Local Debt Strategy (gross)	-1.07	-1.07	17.34	12.88	6.52	5.49	3.61
J.P. Morgan GBI-EM Global Diversified+	-2.25	-2.25	11.76	6.84	2.06	2.57	2.43
Value Add	+1.00	+1.00	+4.70	+5.19	+3.66	+2.13	+0.28

MAJOR PERFORMANCE DRIVERS

The J.P. Morgan GBI-EM Global Diversified Index + (GBI-EMGD) returned -2.2% during the first quarter of 2026. Local bond performance was negative (-0.8%, with returns of -1.1% when hedged into U.S. dollars), while spot currency performance was also negative -1.4%. The comparable figures for foreign developed markets' bonds were similarly negative, with -1.1% for local bonds (-0.6% hedged), and spot FX performance of -1.6%. The dollar strengthened against other major currencies during the period, while emerging market exchange rates weakened against the dollar.

The portfolio outperformed the benchmark in the first quarter, deriving positive alpha from interest rate market selection and currency selection. In interest rate market selection, the portfolio's underweight positions in Thailand (-3.5% total local return), Turkey (-3.4%), India (-0.7%), and Hungary (-0.9%) added the most to alpha during the quarter. While unable to fully offset gains, underweight positions in China (0.7%) and overweight positions in Indonesia (-0.7%), Peru (-2.7%), and South Africa (-3.4%) detracted from alpha.

Currency selection performance was positive during the quarter. The most notable contributors to positive alpha were our portfolio's overweight positions in the Colombian peso, Brazilian real, and the Turkish lira, as well as an off-benchmark long position in Nigerian naira and an underweight position in Indian rupee. The portfolio's overweight positions in the Peruvian sol, Chilean peso, and Uruguayan peso, as well as an off-benchmark long position in the Egyptian pound and Japanese yen, were notable negative contributors to currency alpha, but less than offset some of the currency gains.

RISKS

Risks associated with investing in the Strategy may include: (1) Non-U.S. Investment Risk: the market prices of many non-U.S. securities (particularly of companies tied economically to emerging countries) fluctuate more than those of U.S. securities. Many non-U.S. markets (particularly emerging markets) are less stable, smaller, less liquid, and less regulated than U.S. markets, and the cost of trading in those markets often is higher than it is in U.S. markets; (2) Focused Investment Risk: the Fund invests its assets in the securities of a limited number of issuers, and a decline in the market price of a particular security held by the Fund may affect the Fund's performance more than if the Fund invested in the securities of a larger number of issuers; and (3) Currency Risk: fluctuations in exchange rates can adversely affect the market value of the Fund's non-U.S. currency holdings and investments denominated in non-U.S. currencies. This is not a complete list of risks associated with investing in the Strategy. Please contact GMO for more information.

Composite Inception Date: 29-Feb-08

Performance Returns: 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. To obtain performance information to the most recent month-end, visit www.gmo.com. **Performance data quoted represents past performance and is not predictive of future performance.** Net returns are presented after the deduction of a model advisory fee and incentive fee if applicable. These returns include transaction costs, commissions and withholding taxes on foreign income and capital gains and include the reinvestment of dividends and other income, as applicable. Fees paid by accounts within the composite may be higher or lower than the model fees used. Gross returns are presented gross of management fees and any incentive fees if applicable. These returns include transaction costs, commissions, withholding taxes on foreign income and capital gains and include the reinvestment of dividends and other income, as applicable. If management and incentive fees were deducted performance would be lower. For example, if, before fees, the strategy were to achieve a 10% annual rate of return above its hurdle rate each year for ten years, and an annual advisory fee of 1% and incentive fee of 20% of net returns above the hurdle rate were charged during that period, the resulting average annual net return (after the deduction of management and incentive fees) would be approximately 7.20%. **GMO LLC claims compliance with the Global Investment Performance Standards (GIPS®). A Global Investment Performance Standards (GIPS®) Composite Report is available at www.gmo.com by clicking the GIPS® Composite Report link in the documents section of the strategy page. GIPS® is a registered trademark owned by CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein. Actual fees are disclosed in Part 2 of GMO's Form ADV and are also available in each strategy's Composite Report.** Returns for the composite are based on estimated market values for the period from and including October 2008 through February 2009.

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MAJOR PERFORMANCE DRIVERS CONT..

Instrument selection and other portfolio attributes did not materially impact alpha over the period. Positive impacts from instrument selection and currency residuals arising from the index (London) versus the portfolio (New York) were offset by the negative impact from the swing pricing at month end. Venezuela was the most notable contributor to instrument selection, followed by smaller positive contributions from other off-benchmark positions in Nigeria, Egypt, and Jamaica. Peru and South Africa were the largest positive on-benchmark country contributors in the instrument selection category. Gains were partly offset by losses given the choice of holdings in India, Mexico, Poland, China, and Colombia, as well as off-benchmark positions in the United Arab Emirates.

Entering the second quarter of 2026, the portfolio's largest currency active weights are the Colombian peso, Brazilian real, Peruvian sol, Japanese yen, and Mexican peso on the positive side, and the Singapore dollar, Polish zloty, Chinese yuan, Romanian leu, and Israeli New Shekel on the negative side. The largest positive interest rate active weights are in Mexico, Colombia, Brazil, Czech Republic, and Indonesia, while the largest negative ones are in Thailand, Israel, China, India, and Hungary.

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PRODUCT OVERVIEW

The GMO Emerging Country Local Debt Strategy is GMO's flagship local currency benchmarked strategy, with an objective of total return in excess of the J.P. Morgan Government Bond Index - Emerging Markets Global Diversified (GBI-EMGD). Since its inception in 2008, the Strategy has employed a broad opportunity set, investing across all forms of emerging market debt, including securities, derivatives, and private instruments, in both local and hard currencies. Local currency debt typically targets a narrower, higher-credit quality segment than hard currency debt, with the benchmark comprising 19 countries of investment-grade average quality. Although the Strategy has a wide investment universe, the portfolio's overall duration, currency, country, and credit quality are managed mindful of GBI-EMGD.

IMPORTANT INFORMATION

Benchmark(s): The J.P. Morgan GBI-EM Global Diversified + Index is comprised of the J.P. Morgan GBI-EM Diversified Index through 8/31/2012 and the J.P. Morgan GBI-EM Global Diversified Index thereafter.

The above information is based on a representative account in the Strategy selected because it has the fewest restrictions and best represents the implementation of the Strategy.