EMERGING COUNTRY LOCAL DEBT

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.

FACTS

Strategy Inception	31-Jan-08
Composite Inception	29-Feb-08
Total Assets	$1.2bn USD
Benchmark	J.P. Morgan GBI-EM Global Diversified+

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

	MTD	QTD	YTD	2025	2024	2023	2022	2021
Composite	-2.84	-0.89	2.82	23.68	-2.10	24.18	-10.70	-6.56
Benchmark	-2.12	-0.94	0.56	19.26	-2.38	12.70	-11.69	-8.75

RISK PROFILE (5-YEAR TRAILING)

Alpha (Jensen's)	3.69
Beta	1.06
R Squared	0.94
Sharpe Ratio	0.22
Standard Deviation	10.45

ANNUALIZED TOTAL RETURNS (USD, NET OF FEES, %)

	1 Year	3 Years	5 Years	10 Years	ITD
Composite	7.18	12.08	6.18	4.30	2.85
Benchmark	3.92	8.16	2.58	2.32	2.52

PORTFOLIO MANAGEMENT



Tina Vandersteel, CFA
Joined GMO in 2004
BA, Washington and Lee University



Victoria Courmes
Joined GMO in 2016
MA, Johns Hopkins University

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.

Performance Returns: Returns shown for periods greater than one year are on an annualized basis. To obtain performance information to the most recent month-end, visit www.gmo.com. **Performance data quoted represents past performance and is not indicative of future results.** Net returns are presented after the deduction of a model advisory fee and incentive fee if applicable. These returns include transaction costs, commissions and withholding taxes on foreign income and capital gains and include the reinvestment of dividends and other income, as applicable. Fees paid by accounts within the composite may be higher or lower than the model fees used. **GMO LLC claims compliance with the Global Investment Performance Standards (GIPS®). A Global Investment Performance Standards (GIPS®) Composite Report is available at www.gmo.com 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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CHARACTERISTICS

	Portfolio	Benchmark
Modified Duration	4.6	5.2
Portfolio Turnover - Ex UST & Paydowns	26.0%	50.8%
# of FX Positions	29	21
# of Credit Markets	26	21
# of Interest-Rate Markets	27	21
USD	-6%	0%

SECTORS (%)

Sector	Portfolio	Benchmark
Quasi-Sovereign	17.0	0.0
Sovereign	83.0	100.0

INTEREST RATE MARKETS (CONTRIBUTION TO DURATION)

Country	Portfolio	Benchmark
Mexico	0.8	0.5
Malaysia	0.6	0.6
South Africa	0.5	0.5
Indonesia	0.4	0.5
Poland	0.4	0.3
Brazil	0.3	0.2
Czech Republic	0.3	0.2
Colombia	0.3	0.2
Chile	0.3	0.1
India	0.2	0.6

TOP CURRENCIES (%)

Currency	Portfolio	Benchmark
MXN	12.4	10.0
IDR	10.7	9.0
INR	10.2	10.0
BRL	9.9	7.8
MYR	9.4	9.4
ZAR	8.4	7.2
COP	8.0	4.9
CNY	8.0	10.0
PLN	7.3	8.6
CZK	3.7	4.3

CREDIT RATINGS (%)

	%
AAA	11.7
AA	9.3
A	23.0
BBB	27.4
BB	13.3
B	6.2
NR	7.1
D	0.4
CCC	1.7

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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.

For private bank intermediaries in Singapore and Hong Kong, these materials are intended for institutional and Accredited/Professional Investors Use Only.

GLOSSARY

Characteristics: Portfolio turnover is the trailing 12 months turnover excluding short-term securities and U.S. Treasuries. Turnover is as of the most recent quarter-end. **Interest Rate Markets (Contribution to Duration):** Country contribution to duration is measure of each country's contribution to the overall portfolio duration. **Credit Ratings:** The credit ratings above may encompass emerging debt, developed rates, and asset-backed exposures. Ratings for the developed rates exposures are derived by taking the lowest issue level rating between Standard and Poor's & Moody's scores and rolling these up into the portfolio's overall quality brackets. Ratings for emerging debt are determined using the middle of the Moody's, S&P, and Fitch ratings when all three are available, the lower of the two ratings when two ratings are available, and the sole rating when only one rating is available. Ratings for the asset-backed exposures are derived by using the lowest rating among rating agencies at the issue level. Final credit ratings are expressed based upon Standard and Poor's ratings scale. Standard & Poor's rates securities from AAA (highest quality) to C (lowest quality), and D to indicate securities in default; some securities are not rated and are included in the NR category. BB and below are considered below investment grade securities. Please refer to our website for additional information: https://www.gmo.com/americas/benchmark-disclaimers/
Risk Statistics: Risk profile data is net of fees. Alpha is a measure of risk-adjusted return. Beta is a measure of a portfolio's sensitivity to the market. R-Squared is a measure of how well a portfolio tracks the market. Sharpe Ratio is the return over the risk free rate per unit of risk. Std Deviation is a measure of the volatility of a portfolio.
Please refer to https://www.gmo.com/americas/glossary-of-terms/ for additional portfolio characteristic definitions.

CURRENCY KEY

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

ABOUT GMO

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

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

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ADDITIONAL GLOSSARY OF TERMS

Coupon
The annual income received from a fixed-income security, expressed as a percentage of the par value of the security and par weighted on portfolio level.

Credit (%)
The proportion of a mutual fund's total net assets that is invested in credit instruments—such as corporate bonds, securitized debt, or other credit-related securities—expressed as a percentage. This metric indicates the fund's exposure to credit markets and associated credit risk.

Effective Duration
A measure of a portfolio's price sensitivity to interest rate changes, including expected changes in cash flows caused by embedded options. The higher the effective duration, the higher the sensitivity to interest rate changes.

Maturity
A weighted average of all the maturities of the bonds in a portfolio, computed by weighting each bond's effective maturity by the market value of the security.

Modified Duration
A measure of a portfolio's price sensitivity to changes in interest rates. It estimates the percentage change in price for a 1% (100 basis point) change in yield, assuming all other factors remain constant.

Option-Adjusted Spread
Option-adjusted spread (OAS) is the spread over a benchmark yield curve that remains after accounting for the value of embedded options.

Spread
The difference between the yield on a bond or credit instrument and the yield on a benchmark security of similar maturity, typically a government bond. It reflects the additional compensation investors receive for taking on credit risk and is usually expressed in basis points.

Spread Duration
A measure of the portfolio's sensitivity to changes in credit spreads.

Weighted Average Life
A measure of average number of years until the principal of the securities is expected to be fully repaid.

Yield to Maturity
Represents the weighted average annualized return an investor would earn if the ETF's underlying bonds were held to maturity, assuming all interest payments are made as scheduled, bonds are held to maturity, coupons are reinvested at the same rate.

Yield to Worst
The lowest potential yield an investor can earn on a bond without the issuer defaulting, taking into account any call, put, or other early redemption features.