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GMO SYSTEMATIC INVESTMENT GRADE CREDIT ETF

Quarterly Investment Review

PRODUCT OVERVIEW

The GMO Systematic Investment Grade Credit ETF seeks to generate total return in excess of its benchmark, the Bloomberg U.S. Corporate Index, by employing active security selection.

The GMO Systematic Investment Grade Credit ETF utilizes a systematic, factor-based approach that incorporates proprietary trading signals across value, quality, and momentum. The ETF aims to deliver similar fixed income exposures to that of the benchmark, while owning a more liquid set of corporate bonds.

MAJOR PERFORMANCE DRIVERS

Investment-grade corporate credit declined in the third quarter as a sharp rise in Treasury yields outweighed the income earned during the period. Stronger economic data, persistent inflation concerns, and the Federal Reserve's 25 basis point September rate hike drove a significant repricing of the yield curve, particularly late in the quarter. The 2-year Treasury yield rose 71 basis points, while the 10-year yield increased 82 basis points, weighing heavily on longer-duration assets. September's U.S. composite PMI reached 58.4, while the Federal Reserve raised its target range to 3.75%-4.00%.

The Bloomberg U.S. Corporate Index returned -3.9% for the quarter, with excess returns of -0.1%. Its option-adjusted spread widened modestly, from 74 basis points at the end of June to 80 basis points at the end of September. Communications experienced the largest spread widening, ending the quarter 12 basis points wider, while Energy tightened by 2 basis points. Long-maturity bonds marginally outperformed intermediate maturities, although both segments posted negative excess returns.

The Systematic Investment-Grade portfolio generated positive alpha during the quarter. The defensive Company Fundamentals, Momentum, and Quality signals were the primary contributors, while Valuation detracted. Credit selection added the most in Energy and Consumer Non-Cyclical. Sector allocation was also positive, though not a material source of relative performance. Being overweight in Energy and underweight in Communications contributed most, while the overweight in Technology detracted.

Entering the fourth quarter, the portfolio is overweight REITs, Energy, and Insurance, and underweight Electric, Communications, and Banking relative to the benchmark.

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

	Quarter-End	YTD	1-Year	3-Year	5-Year	10-Year	Since Inception
NAV	-3.91	-2.77	-2.17	-	-	-	1.97
Bloomberg U.S. Corporate Index	-3.94	-3.11	-2.30	-	-	-	1.71
Market Price	-4.08	-2.94	-2.35	-		-	1.86
Bloomberg U.S. Corporate Index	-3.94	-3.11	-2.30	-		-	1.71

NAV Inception Date: 3-Jun-25
Market Price Inception Date: 3-Jun-25

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. Exchange Traded Funds (ETFs) are bought and sold through exchange trading at market price (not NAV), and are not individually redeemed from the fund. Shares may trade at a premium or discount to their NAV in the secondary market. Brokerage commissions will reduce 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.

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) Management and Operational Risk: the risk that GMO's investment techniques will fail to produce desired results, including annualized returns and annualized volatility. For a more complete discussion of these and other risks, please consult the Fund's Prospectus. **Performance Returns:** Exchange Traded Funds (ETFs) are bought and sold through exchange trading at market price (not NAV), and are not individually redeemed from the fund. Shares may trade at a premium or discount to their NAV in the secondary market. Brokerage commissions will reduce returns. The GMO ETFs are distributed in the United States by Foreside Fund Services LLC. GMO and Foreside Fund Services LLC are not affiliated. **Total Annual Fund Operating Expenses: 0.25%; Expense Ratio is equal to the Fund's Total Annual Operating Expenses set forth in the Fund's most recent prospectus dated 30 June 2026.**

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 Bloomberg US Corporate Index measures the investment grade, fixed-rate, taxable corporate bond market. It includes USD denominated securities publicly issued by US and non-US industrial, utility, and financial issuers. The index includes securities with remaining maturity of at least one year.

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

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