

QUARTERLY INVESTMENT REVIEW

Multi-Asset Credit Fund

Performance returns (USD)

ANNUALIZED RETURNS (QUARTER-END)	Quarter-End	YTD	1-Year	3-Year	5-Year	10-Year	Since Inception
Multi-Asset Credit Fund (net)	2.25	2.25	-	-	-	-	2.25
Multi-Asset Credit Fund (gross)	2.30	2.30	-	-	-	-	2.30
GMO Multi-Asset Credit Blended Benchmark	2.91	2.91	-	-	-	-	2.91
Value Add	-0.66	-0.66	-	-	-	-	-0.66

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.**

MAJOR PERFORMANCE DRIVERS

The GMO Multi-Asset Credit Benchmark (equal-weighted index comprising of Bloomberg U.S. High Yield, Bloomberg U.S. Corporate, Bloomberg U.S. Securitized, and J.P. Morgan EMBI Global Diversified indices) returned 2.9% for the period. Spreads over Treasury tightened across sectors, while 2-year and 10-year Treasury yields fell by 10 and 37 bps, respectively, ending at 3.72% and 4.23%, contributing positively to interest rate returns. In corporate credit markets high yield (HY) outperformed investment grade (IG) on excess basis and underperformed on total basis – both sectors posted strong total and excess returns, benefiting from spread compression following April's widening. Emerging debt underperformed HY and U.S. securitized on an excess basis while generating strong total returns, benefiting from falling Treasury yields.

The portfolio, launched on May 21, 2025, underperformed the benchmark, primarily due to negative contributions from credit allocation and duration positioning, offset by positive credit selection.

Inception Date: 21-May-25

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-Asset-Backed Securities Risk: the market price of asset-backed securities, like that of other fixed income investments with complex structures, can decline for a variety of reasons, including investor uncertainty about their credit quality and the reliability of their payment streams. Payment streams associated with asset-backed securities held by the Fund depend on many factors (e.g., the cash flow generated by the assets backing the securities, deal structure, and creditworthiness of any credit-support provider), and a problem in any of these factors can lead to a reduction in the payment stream GMO expected the Fund to receive when the Fund purchased the asset-backed security; 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: 0.50%; Gross Expense Ratio: 0.91% Net Expense Ratio reflects the reduction of expenses from fee reimbursements. The fee reimbursements will continue until at least June 30, 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 June 30, 2025.

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MAJOR PERFORMANCE DRIVERS CONT.

Attribution Highlights

- Sector allocation detracted from performance as spreads tightened over the period, reflecting conservative risk positioning in spreads. This was led by an overweight position in Agency MBS. Additional headwinds came from underweights in high yield and an overweight in structured products. A positive allocation offset came from underweight EM debt.
- Duration positioning was negative, with the duration overlay contributing positively, partially mitigating the impact of lower-duration structured products exposure. We anticipate maintaining portfolio duration below that of the benchmark, which may lead to a negative impact on alpha from duration positioning in rates rallies and a positive one in rates sell offs.

Credit Selection

- Emerging debt added value, driven by overweights in lower-quality sovereigns Ecuador, Lebanon, Ghana, and Egypt. Security selection in Turkey and Argentina was strong, while positions in Venezuela and Mexico detracted.
 - High yield contributed positively, mainly through allocations to carry (via long positions in CDX HY).
 - Structured products exposure was a notable detractor as spreads in CMBS and ABS tightened less than MBS. The benchmark's (Bloomberg U.S. Securitized Index) heavy Agency MBS weighting outperformed the portfolio's diversified securitized exposure.
- During the period, the portfolio reduced high yield exposure, increased structured products, and shortened duration following the late-June rates rally.

At quarter end, approximately 68% of the portfolio was rated investment grade (BBB or higher), 45% of the portfolio was invested in structured products, 15% in emerging debt, 13% in high yield, 10% in investment grade corporates, 10% in agency MBS, 5% in tactical long/short positions, and 3% in U.S. Treasury Securities.

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PRODUCT OVERVIEW

The GMO Multi-Asset Credit Fund seeks total return and capital appreciation aiming to maximize alpha potential by harvesting what we identify as the most attractively priced credit risk premia through a dynamic allocation process across the credit spectrum. Our team utilizes a robust research framework that combines top-down and bottom-up analysis along with fundamental and quantitative techniques across various fixed income markets, including Emerging Country Debt, Structured Products, High Yield, Investment Grade, Loans, and Mortgages. Our investment process places a strong emphasis on relative value analysis, allowing us to employ a benchmark agnostic investment style that we believe sets us apart. We have the agility to capitalize on fleeting relative value opportunities across fixed income markets, ensuring we stay ahead of market dynamics. Our Fund attempts to maintain a balanced approach between risk and return by focusing on capital preservation during market downturns while looking to avoid premium priced securities in overvalued markets.

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 Multi-Asset Credit Blended Benchmark is an internally maintained benchmark computed by GMO, comprised of (i) 25% Bloomberg U.S. Securitized Index, (ii) 25% Bloomberg U.S. Corporate High Yield Index, (iii) 25% Bloomberg U.S. Corporate Index, and (iv) 25% J.P. Morgan EMBI Global Diversified.

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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.

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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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