

QUARTERLY INVESTMENT REVIEW

Emerging Country Local Debt Strategy

Performance returns (USD)

ANNUALIZED RETURNS (QUARTER-END)	Quarter-End	YTD	1-Year	3-Year	5-Year	10-Year	Since Inception
Emerging Country Local Debt Strategy (net)	4.20	18.64	9.49	15.88	6.02	5.52	2.61
Emerging Country Local Debt Strategy (gross)	4.40	19.31	10.32	16.75	6.82	6.31	3.52
J.P. Morgan GBI-EM Global Diversified+	2.80	15.41	7.35	11.25	2.32	3.54	2.44
Value Add	+1.40	+3.24	+2.14	+4.63	+3.70	+1.97	+0.17

MAJOR PERFORMANCE DRIVERS

The J.P. Morgan GBI-EM Global Diversified Index + (GBI-EMGD) returned 2.8% during the third quarter of 2025. Local bond performance was positive (2.4%, with returns of 2.0% when hedged into U.S. dollars), while spot currency performance was also positive (0.4%). The comparable figures for foreign developed market bonds were mixed in the third quarter, with -0.6% for local bonds (0.0% hedged), and spot FX performance of -0.9%. The dollar strengthened against other major currencies in Q3, while emerging market exchange rates strengthened against the dollar.

The portfolio outperformed the benchmark in the third quarter, with the portfolio deriving positive alpha from interest rate market selection and currency selection. In interest rate market selection, the portfolio's overweight positions in South Africa (7.0% total local return), Colombia (6.5%), Mexico (4.7%), and Indonesia (3.8%) added the most to alpha during the quarter. While unable to fully offset gains, underweight positions in Thailand (1.4%) and Hungary (1.9%) and an overweight position in the Czech Republic (-0.4%) 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, Turkish lira, South African rand, and underweight position in the Indian rupee. The portfolio's overweight positions in the Dominican peso and underweight positions in Romanian leu, as well as an off-benchmark short position in the Israeli shekel, and long positions in Japanese yen and Korean won, were notable negative contributors to currency alpha, but less than offset some of the currency losses.

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 detracted from alpha over the quarter, primarily driven by the negative impact from currency residuals arising from the index (London) versus the portfolio (New York). Instrument selection was positive over the quarter. South Africa, Mexico, and Peru were the most notable on-benchmark country contributors in this category. The choice of off-benchmark holdings in Nigeria, Venezuela, Israel, Egypt, and Paraguay also contributed positively during the quarter. Gains were partly offset by losses given the choice of holdings in Brazil, Poland, Thailand, and China.

Entering the fourth quarter of 2025, the portfolio's largest currency active weights are the Colombian peso, Brazilian real, Turkish lira, Japanese yen, and the South African rand on the positive side, and Chinese yuan, Indian rupee, Singapore dollar, Polish zloty, and Thai baht on the negative side. The largest positive interest rate active weights are in Colombia, South Africa, Czech Republic, Mexico, and Chile, while the largest negatives are in Thailand, South Korea, China, India, and Israel.

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PRODUCT OVERVIEW

The GMO Emerging Country Local Debt Strategy's objective is total return in excess of its benchmark, the J.P. Morgan Government Bond Index - Emerging Markets Global Diversified (GBI-EMGD). The Strategy invests in local currency emerging debt.

GMO's Emerging Country Debt team focuses on bottom-up issue selection within sovereign and quasi-sovereign issuers with an emphasis on finding fundamental value, also employing advanced quantitative techniques to assess value across global emerging and frontier interest rate and currency markets. We believe that our approach provides our clients with the best chance for long-term success in this asset class and differentiates us from other emerging debt managers who focus on top-down timing elements.

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.

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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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