

MULTI-ASSET CREDIT

OVERVIEW

The GMO Multi-Asset Credit Strategy seeks total return and capital preservation, 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 Strategy attempts to maintain a balanced approach between risk and return by focusing on capital preservation and looking to avoid premium-priced securities in overvalued markets.

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

	<i>MTD</i>	<i>QTD</i>	<i>YTD</i>	<i>2025</i>
Composite	-0.80	-0.80	1.11	6.21
Benchmark	-1.17	-1.17	0.59	6.95
Alternate Benchmark	0.55	0.55	3.86	4.23

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

	<i>1 Year</i>	<i>3 Years</i>	<i>5 Years</i>	<i>10 Years</i>	<i>ITD</i>
Composite	5.30	-	-	-	6.31
Benchmark	5.15	-	-	-	6.47
Alternate Benchmark	6.94	-	-	-	7.03

FACTS

Strategy Inception	21-May-25
Composite Inception	31-May-25
Total Assets	\$202mm USD
Benchmark	Multi-Asset Credit Blended Benchmark
Alternate Benchmark	SOFR Index Plus 3%

RISK PROFILE (SINCE INCEPTION 30-MAY-25)

Alpha (Jensen's)	0.50
Beta	0.72
R Squared	0.94
Sharpe Ratio	0.87
Standard Deviation	2.57

PORTFOLIO MANAGEMENT



Joe Auth, CFA
Joined GMO in 2014
MBA, University of Connecticut



Kevin Breaux, CFA
Joined GMO in 2008
BS, Duke University

Risks: Risks associated with investing in the Strategy 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; (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; and (4) Pooled Investment Vehicles Risk: Investments by a Fund in pooled investment vehicles may involve additional and/or a layering of fees, expenses, changes and other costs (including without limitation, purchase premiums and redemption fees, if any). 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 does not yet have a GIPS-compliant report for this composite since it has not managed accounts in this strategy for a full year.**

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CHARACTERISTICS

	<i>Portfolio</i>	<i>Benchmark</i>
Spread Duration	2.3	5.3
Spread	113.5bps	137.6bps
Effective Duration	4.9	5.3
Average Credit Rating	A-	BBB
Yield to Worst	5.8%	6.1%
Weighted Average Life	5.0	7.8
Credit (%)	79.3%	100.0%

CREDIT RATINGS (%)

	%
AAA	21.1
AA	35.9
A	3.6
BBB	8.5
BB	12.8
B	7.9
NR	1.7
D	1.2
CCC	5.4
CC	1.4
C	0.6

SECTORS (%)

<i>Sector</i>	<i>Portfolio</i>	<i>Benchmark</i>
Agency MBS	2.9	0.0
Emerging Debt	7.4	25.0
High Yield Corporates	12.5	25.0
Investment Grade Corporates	7.4	25.0
Securitized	44.8	25.0
Tactical Long/Short	4.3	0.0
U.S. Treasuries	13.8	0.0

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IMPORTANT INFORMATION

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.

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: Average Credit Rating is a market value weighted measure of bond holdings. Yield (i.e., Yield-to-Worst) is internally calculated as the weighted average yield on the cash bonds over the total market value of the portfolio. **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.

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.

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.