

GMO SYSTEMATIC INVESTMENT GRADE CREDIT ETF

Quarterly Investment Review

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

	Quarter-End	YTD	1-Year	3-Year	5-Year	10-Year	Since Inception
NAV	-0.68	-0.68	-	-	-	-	4.82
Bloomberg U.S. Corporate Index	-0.54	-0.54	-	-	-	-	4.99
Market Price	-0.45	-0.45	-	-	-	-	5.10
Bloomberg U.S. Corporate Index	-0.54	-0.54	-	-	-	-	4.99

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.

MAJOR PERFORMANCE DRIVERS

Investment-grade corporate credit had a volatile first quarter. Credit spreads continued to tighten in January as higher-than-average issuance, which was largely driven by hyperscalers' capital expenditure needs, was generally well absorbed by the market. However, sentiment deteriorated later in the quarter amid rising geopolitical tensions surrounding the U.S.-Iran war and increased macro uncertainty, fueled by rising energy prices. Over the period, the Federal Reserve maintained its target policy rate unchanged at 3.50-3.75%.

The asset class delivered a negative total return of 0.5% for the quarter, driven by a moderate widening in spreads, with excess returns ending the period at -0.5%. The index's spread over Treasuries widened by 12 basis points, though performance diverged meaningfully across sectors. Energy spreads proved relatively resilient, given the macro backdrop and widened the least, while Finance Companies lagged. Credit curves steepened over the quarter, with the 10+ year maturity segment generating the worst negative excess returns.

The Systematic Investment-Grade portfolio delivered negative alpha in the first quarter. Valuation and Company Fundamentals signals were the primary detractors from relative performance. Positive contributions from the Momentum factor, and to a lesser extent Quality, were insufficient to offset these losses. Credit selection was weakest within the Communications and Transportation sectors, while gains from holdings in Technology, Electric, Energy, and Basic Industry provided only a partial offset. From a sector allocation perspective, underweight in Insurance, Finance Companies, and Banking contributed positively to relative performance, while the underweight in Energy detracted.

Entering the second quarter of 2026, the portfolio has an overweight in the Basic Industry and Energy sectors, alongside an underweight in Electric, Communications, and Banking.

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 28 October 2025.**

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.

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.

The GMO ETFs are distributed in the United States by Foreside Fund Services LLC. GMO and Foreside Fund Services LLC are not affiliated.

GMO | PARTNERS IN INVESTING

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

www.GMO.com