

EMERGING COUNTRY DEBT STRATEGY

Quarterly Investment Review

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

	<i>Quarter-End</i>	<i>YTD</i>	<i>1-Year</i>	<i>3-Year</i>	<i>5-Year</i>	<i>10-Year</i>	<i>Since Inception</i>
Emerging Country Debt Strategy (net)	2.07	2.07	20.46	17.18	7.18	6.55	11.95
Emerging Country Debt Strategy (gross)	2.26	2.26	21.37	18.06	7.99	7.36	12.71
J.P. Morgan EMBI Global Diversified +	-1.26	-1.26	10.38	9.45	2.47	3.60	8.27
Value Add	+3.33	+3.33	+10.08	+7.73	+4.71	+2.96	+3.68

MAJOR PERFORMANCE DRIVERS

The J.P. Morgan EMBI Global Diversified (EMBIG-D) benchmark returned -1.3% in the first quarter of 2026. The index's spread over Treasuries widened by 35 bps, ending the period at 289 bps, resulting in a spread return of -1.3%. Meanwhile, the 10-year Treasury yield rose by 15 bps to 4.32%, contributing to an interest rate return of 0.0%.

The portfolio experienced positive alpha from both country selection and security selection during the period. Country selection gains were overwhelmingly driven by an overweight position in Venezuela (+46.4%, total return), which contributed significantly to the positive performance. Additionally, overweight positions in Gabon (+10.2%) and Ecuador (+0.8%), and an underweight position in the United Arab Emirates (-3.3%) provided further positive impacts. Conversely, the portfolio's overweight positions in Egypt (-6.8%), Ukraine (-8.5%), Bahrain (-5.1%), and Kenya (-5.8%) detracted from the alpha.

In-index security selection had notable positive impacts on alpha, particularly from Venezuela, Peru, and Brazil, while Colombia and Mexico were among the main detractors. For off-benchmark countries, Tunisia and Thailand contributed positively to alpha, whereas South Korea and Albania detracted. Within the quasi-sovereign category, Venezuela and Brazil emerged as significant contributors, while Colombia and India were primary detractors.

As of the end of the period, the portfolio's largest overweights are in Venezuela, Colombia, and Turkey, while the largest underweights are in Indonesia, China, and Malaysia. During this period, notable changes include Brazil and Mongolia moving from underweight to overweight positions, while the underweight position in the United Arab Emirates decreased. Additionally, the overweight positions in India and Romania decreased, whereas the underweight position in Panama increased.

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 - 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) 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. This is not a complete list of risks associated with investing in the Strategy. Please contact GMO for more information.

Composite Inception Date: 30-Apr-94

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 one of the accounts in the composite are based on estimated market values for the period from and including October 2008 through February 2009.

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PRODUCT OVERVIEW

The GMO Emerging Country Debt Strategy is GMO's flagship hard-currency benchmarked strategy, with the objective of total return in excess of the J.P. Morgan Emerging Markets Bond Index Global Diversified (EMBIG-D). Since its inception in 1994, the Strategy has employed a broad opportunity set, investing across all forms of emerging market debt, including securities, derivatives, and private instruments, in both hard and local currencies. The investable universe covers a wide range of issuer types (sovereigns, corporates, project finance) and credit qualities defined by credit rating agencies, ranging from high credit quality (e.g., AA) to default (e.g., D), though the portfolio's overall duration, currency, country, and credit quality exposures are managed mindful of the EMBIG-D.

IMPORTANT INFORMATION

Benchmark(s): The J.P. Morgan EMBI (Emerging Markets Bond) Index Global Diversified + is an internally maintained benchmark computed by GMO, comprised of (i) the J.P. Morgan EMBI+ Index through 12/31/1999, (ii) the J.P. Morgan EMBI Index Global through 2/28/2020, and the J.P. Morgan EMBI Index Global Diversified (iii) 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.

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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