

ULTRA-SHORT INCOME STRATEGY

Quarterly Investment Review

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

	Quarter-End	YTD	1-Year	3-Year	5-Year	10-Year	Since Inception
Ultra-Short Income Strategy (net)	0.97	0.97	-	-	-	-	1.77
Ultra-Short Income Strategy (gross)	1.02	1.02	-	-	-	-	1.85
FTSE 3-Mo. T-Bill	0.93	0.93	-	-	-	-	1.60
Value Add	+0.04	+0.04	-	-	-	-	+0.17

MAJOR PERFORMANCE DRIVERS

U.S. fixed income markets generated mixed results in the first quarter of 2026. U.S. interest rates sold off across the curve, while excess returns were mixed, with higher-quality corporate and securitized debt generally outperforming lower-quality equivalents. The Federal Reserve kept the target rate unchanged within the 3.50%-3.75% range.

The portfolio outperformed the benchmark, FTSE 3-month Treasury Bill, over the period driven by high-quality credit exposure. In addition, the portfolio outperformed other ultra-short income and longer spread duration products in its peer category, demonstrating resilience in a volatile market environment.

The portfolio maintained an average interest rate duration below 0.5 years, while the spread duration fluctuated between 0.5 and 0.8 years, settling at 0.6 at the end of the period as the portfolio reduced exposure to AAA CLOs. The portfolio's average coupon and yield ended the quarter at 4.4% and 4.5%, respectively.

Going into the second quarter of 2026, the portfolio held roughly 71% AAA CLOs, 26% U.S. Treasury notes and bills, 3% U.S. Treasury floating rate notes (FRN), and less than 1% short U.S. TIPS.

RISKS

Risks associated with investing in the Strategy may include: (1) 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); (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) 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. This is not a complete list of risks associated with investing in the Strategy. Please contact GMO for more information.

Composite Inception Date: 31-Oct-25

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 does not yet have a GIPS-compliant report for this composite since it has not managed accounts in this strategy for a full year.**

ULTRA-SHORT INCOME STRATEGY

Quarterly Investment Review

PRODUCT OVERVIEW

The GMO Ultra-Short Income Strategy aims to generate current income while preserving capital. The Strategy invests in a diversified portfolio of low-duration, high-quality fixed income securities, including U.S. Treasuries, collateralized loan obligations ("CLOs"), repurchase agreements, and other investment-grade assets. Managed by GMO's Short Duration Strategies team, the Strategy aims to offer flexible and efficient cash management by strategically deploying capital to the most liquid, high-quality opportunities to seek to enhance returns with low volatility.

IMPORTANT INFORMATION

Benchmark(s): The FTSE 3-Month Treasury Bill Index is an independently maintained and widely published index comprised of short-term U.S. Treasury bills.

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.

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