ALTERNATIVE ALLOCATION FUND

Quarterly Investment Review

Equity markets slowed in the third quarter following the rally we saw in April and May. Confidence in the AI theme wavered, and conflict in the Gulf failed to de-escalate. Despite these tensions, equity markets remained resilient. The S&P was up 2.3% and MSCI ACWI was up 1.6%. Bond markets proved to be less so, with the U.S. 10-year Treasury yield finishing the quarter at 5.29%, its highest level in over two decades. This pressure on interest rates weighed on the traditional 60% MSCI ACWI/40% Bloomberg U.S. Aggregate Bond Index portfolio, which finished the quarter down 46 basis points. The GMO Alternative Allocation portfolio had strong performance throughout the quarter.

Exhibit 1: Third Quarter Contribution Summary

	Ending Weight (%)	Gross Return (%)	Contribution To Return (%)
GMO Alternative Allocation (Net, Local Close)			**7.5**
GMO Alternative Allocation (Gross, Local Close)			**7.9**
Equity Dislocation	34	7.7	2.7
Quality Long/Short	32	2.5	0.8
World Market Neutral	30	2.1	0.7
Event Driven	26	0.5	0.1
EM FX	10	1.8	0.2
Global Macro	38	3.5	1.4
Managed Volatility	15	2.5	0.4
RV Credit	4	1.3	0.1
Trend	17	7.0	1.2
Cash and Collateral			0.3
Total	**206**		**7.9**

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.

MAJOR PERFORMANCE DRIVERS

Every sub-strategy in the portfolio made a positive contribution for the quarter. Importantly, the top three contributors relied on separate return drivers exploiting very different processes.

Equity Dislocation remains the largest risk allocation in the portfolio due to the outstanding opportunity we see in deep value equities vs. expensive growth globally. This wide spread should not be confused with any sort of AI theme that has been dominating market headlines. The opportunity set, as well as the portfolio, remains incredibly broad and is not concentrated in any country or sector. The third quarter was favorable for the strategy as ACWI Value beat ACWI Growth by over 4%. Equity Dislocation delivered strong alpha as well, returning 7.7% for the period. Both the short and the long side of the book delivered positive contributions, with the Industrials and IT sectors leading the way.

Global Marco reversed its performance starting in July, delivering 140 bps of contribution to ALTA. The largest source of gains came from the currency book, specifically long Japanese yen and Norwegian krone, while short Swiss franc and British pounds. The commodity book also added performance capitalizing on rising energy costs. Within equities, the portfolio benefited from short positions in Hong Kong, Taiwan, and India.

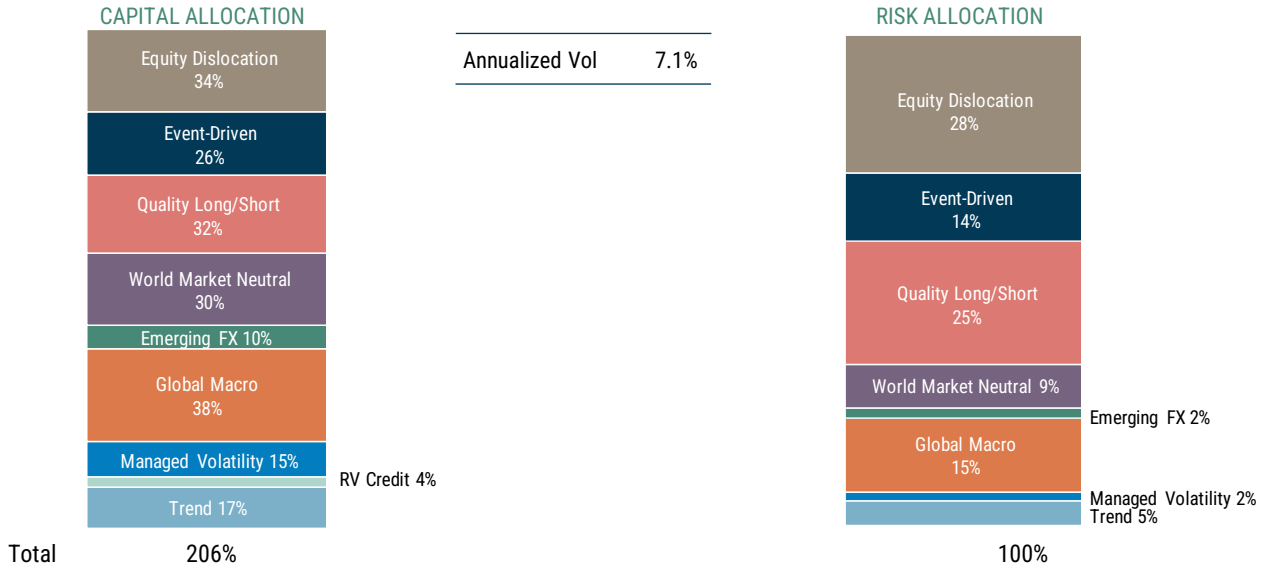
Trend Following continued a very strong year, up 7% for the quarter. We increased the allocation to Trend slightly in early July. Both versions of our multi-asset trend strategies are seeing their strongest signals from shorting global duration. Those positions paid off handsomely in September as the rise in global yields accelerated.

Quality Long/Short and **Market Neutral** combined to contribute 150 bps of performance, with both portfolios benefiting from solid stock selection.

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Exhibit 2: Capital and Risk Allocation



While ALTA performed well this quarter, it is important to note that the portfolio continues to deliver on its other objectives. Volatility has been stable at 7% annualized. Contribution to performance has been balanced across return drivers. ALTA has remained a solid diversifier, as evidenced by low beta to equities, bonds, and commodities. These characteristics reinforce our conviction that GMO Alternative Allocation is a valuable addition to balanced portfolios.

Exhibit 3: Beta to Market

	S&P 500	EAFE	Emerging Equities	Commodities	U.S. Rates	DXY
BETA	-0.1	-0.1	-0.1	0.0	-0.2	0.3

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

	Quarter-End	*YTD*	*1-Year*	*3-Year*	*5-Year*	*10-Year*	*Since Inception*
Alternative Allocation Fund (net)	7.49	8.08	16.05	6.91	5.73	-	3.56
Alternative Allocation Fund (gross)	7.71	8.74	17.01	7.79	6.60	-	4.42
FTSE 3-Mo. TBill	0.97	2.86	3.91	4.71	3.88	-	2.88
Value Add	+6.52	+5.22	+12.14	+2.19	+1.84	-	+0.67

Net of all fees and expenses after reimbursement by the Manager, but not transaction costs, if any. If certain expenses were not reimbursed, performance would be lower. Gross of fees, expenses and transaction costs, if any. If these fees, expenses and costs were included, performance would be lower. **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.** The portfolio is actively-managed, is not managed relative to a benchmark and uses an index for performance comparison purposes only and, where applicable, to compute a performance fee. The performance information for all periods prior to January 31, 2025, was achieved prior to the change in the Fund's investment objective and principal investment strategies.

Inception Date: 1-May-19

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) Management and Operational Risk: the risk that GMO's investment techniques will fail to produce desired results, including annualized returns and annualized volatility; (2) Derivatives and Short Sales Risk: the use of derivatives involves the risk that their value may not change as expected relative to changes in the value of the underlying assets, pools of assets, rates, currencies or indices. Derivatives also present other risks, including market risk, illiquidity risk, currency risk, credit risk, and counterparty risk; and (3) Leveraging Risk: the use derivatives and securities lending creates leverage. Leverage increases the Funds losses when the value of its investments (including derivatives) declines. For a more complete discussion of these and other risks, please consult the Fund's Prospectus. **Performance Returns:** Annualized Returns may include the impact of purchase premiums and redemption fees. The GMO Trust funds are distributed in the United States by Funds Distributor LLC. GMO and Funds Distributor LLC are not affiliated.

Net Expense Ratio: 2.74%; Gross Expense Ratio: 2.85% Net Expense Ratio reflects the reduction of expenses from fee reimbursements. The fee reimbursements will continue until at least 30 June 2027. Elimination of this reimbursement will result in higher fees and lower performance. Gross Expense Ratio is equal to the Funds Total Annual Operating Expenses set forth in the Funds most recent prospectus dated 30 June 2026.

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.

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

The GMO Trust funds are distributed in the United States by Funds Distributor LLC. GMO and Funds Distributor LLC are not affiliated.

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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*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