QUARTERLY INVESTMENT REVIEW

Alternative Allocation Fund

Performance returns (USD)

ANNUALIZED RETURNS (QUARTER-END)	Quarter-End	YTD	1-Year	3-Year	5-Year	10-Year	Since Inception
Alternative Allocation Fund (net)	5.13	5.13	2.04	4.12	2.75	-	1.54
Alternative Allocation Fund (gross)	5.34	5.34	2.89	4.99	3.60	-	2.38
FTSE 3-Mo. TBill	1.10	1.10	5.19	4.42	2.69	-	2.58
Value Add	+4.03	+4.03	-3.15	-0.30	+0.06	-	-1.04

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 the 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.

MAJOR PERFORMANCE DRIVERS

Quarterly Review

The first quarter of 2025 was marked by several significant themes driving market performance. Debate continued over potential rate cuts as the U.S. 10-year traded in a range from 4.8% to 4.2%. Geopolitical tensions rose as the Trump administration pulled back from support of Ukraine and initiated an erratic tariff policy on imports from Canada and Mexico, with wider measures enacted in early April. Meanwhile, news of DeepSeek's groundbreaking AI announcement sent shockwaves through the U.S. Tech sector, contributing to a 4.3% decline in the S&P 500 for the quarter.

Despite this backdrop, GMO Alternative Allocation (ALTA) had a strong quarter, delivering a positive 5.13% (net) return. Multiple strategies and themes contributed positively to performance. Over the first quarter the largest contributors were:
– Strong alpha in Global Macro
– Outperformance of Value over Growth within equities
– Positive carry in Emerging FX
– Outperformance of Quality

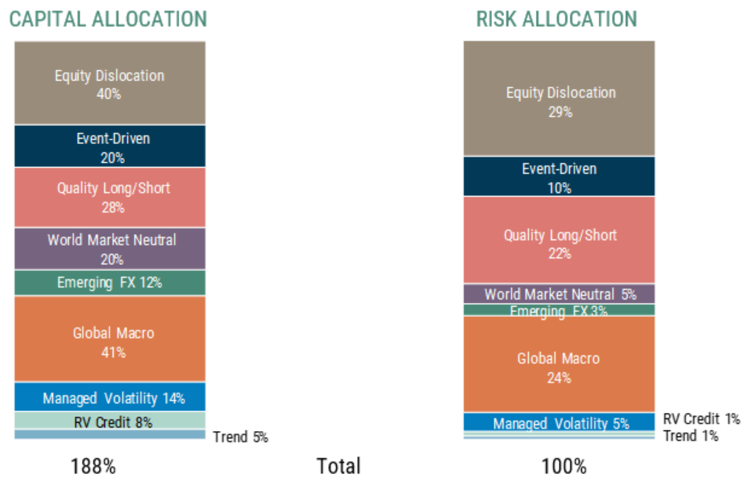
	Average Weight (%)	Gross Return (%)	Contribution to Return (%)
Alternative Allocation Fund (net, local close)			5.1
Alternative Allocation Fund (gross, local close)			5.3
Equity Dislocation	40.0	3.3	1.4
Event-Driven	23.0	1.1	0.3
Quality Long/Short	22.0	3.9	0.5
World Market Neutral	13.0	-0.5	-0.1
Global Macro	40.0	5.4	2.2
Managed Volatility	10.0	-2.1	-0.2
Relative Credit Value	8.0	1.3	0.1
EM FX	14.0	3.6	0.5
Trend	5.0	-0.6	-0.1
Cash and Collateral	-	-	0.9
Total	175	5.3	5.3

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: 1.69%; Gross Expense Ratio: 2.03% Net Expense Ratio reflects the reduction of expenses from fee reimbursements. The fee reimbursements will continue until at least June 30, 2025. 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 June 30, 2024.

QUARTERLY INVESTMENT REVIEW

MAJOR PERFORMANCE DRIVERS CONT.

We added meaningful exposure to the portfolio over the quarter, including adding a couple new strategies: Quality Long/Short and World Market Neutral. Additionally, we added shorter-term delta hedged equity vol selling within the Managed Volatility strategy, further diversifying our approach to harvesting volatility. In combination, this not only increased the notional exposure of Alternative Allocation, but also increased the annualized volatility at the portfolio level. As of March 31, the portfolio had an annualized volatility of about 7.5%. The capital and risk allocations are as follows:



Quality Long/Short was one of the strategies added to the portfolio at the beginning of February. The strategy consists of two long/short portfolios. One is long global Quality and short a broad portfolio of Junk stocks. The other pairs Small Cap Quality against Russel 2000 futures. The stock selection is performed by our Focused Equity team and we size each to be approximately beta neutral. One of the reasons we like the strategy for ALTA is its ability to provide some defensiveness in down markets. Over the past 20 years there have been 7 instances when ACWI has been down at least 10%. In those instances, the average peak-to-trough return for AWCI has been -25% We expect the strategy to be more defensive, and over the first quarter the strategy was up 3.9.

World Market Neutral is the second strategy new to ALTA this quarter. The strategy leverages multiple alpha signals to capture factors like Momentum, Value, and Quality that have been utilized by our Systematic Equity team for years in their long-only offerings. We have taken time to carefully reorient these alphas within a long/short portfolio construction. In this framework, we believe World Market Neutral can be an ideal portable alpha strategy. Its diversified approach also makes it a great all-weather fit for ALTA. The portfolio underperformed slightly over the last two months of the quarter as Momentum struggled.

Global Macro was the largest contributor to returns in the first quarter, up 5.4%. Both equity and FX contributed meaningfully. Chinese Tech stocks dramatically outperformed U.S. Tech, pushing outperformance from a long position in the Hang Seng. Additionally, the portfolio benefited from being long EAFE Value and short EAFE Growth, as EAFE value outperformed by nearly 10% in the first quarter. Value was a large contributor in currencies as well. Large valuation spreads have combined with better carry in owning NOK against CHF, leading our models to dial into the opportunity.

Equity Dislocation also had a strong quarter, delivering a return of 3.3% and a positive contribution of 140 bps. Value outperformed, and did particularly well outside the U.S. Within the U.S., it was less of a Value vs. Growth story and more of a Magnificent 7 vs. everything story. The cohort was down 15% over the period. Apart from Tesla, we don't see the Magnificent 7 as expensive enough to short. Therefore, the attribution within the U.S. was more muted than you might first expect by looking purely at U.S. Value and Growth returns over the quarter. Sector positioning added about 80 bps to returns, receiving a tailwind from being net long Financials and net short Information Technology.

EM FX outperformed in the first quarter despite looming tariff fears. The portfolio was up 3.6%, led by positions in Latin American and Frontier currencies.

Managed Volatility was the largest detractor on the quarter. Positive contribution from credit volatility and delta-hedged out-of-the-money equity puts were not able to overcome losses from longer-term at-the-money equity puts as volatility rose throughout the period.

Event-Driven invests in merger-arbitrage deals as well as other catalyst-driven situations. Despite widespread market expectations of increased deal flow as a result of lighter regulations after Trump's changes to the FTC, the first quarter did not see a flood of new deals. However, there still has been plenty to do in the space, across several solid rate-of-return deals. The strategy exhibited below average volatility while adding 30 bps to the Alternative Allocation portfolio.

Finally, we had a relatively small amount of risk in credit through Relative Value Credit and Credit Trend.

QUARTERLY INVESTMENT REVIEW

MAJOR PERFORMANCE DRIVERS CONT.

Looking Forward

Going into the second quarter, uncertainty dominates the investment landscape. On April 2, President Trump announced his new tariff plan and markets were quick to react. The violent moves we have seen in the first days since the announcement are understandable given the fact that this is the biggest attempt to rewrite the world economic order in generations. Here are what some of the major themes in the portfolio are facing:

Value vs. Growth: There is no meaningfully differentiated exposure to tariffs in Value vs. Growth, though names with particularly lofty expectations have underperformed the broad market and helped Equity Dislocation early on.

Quality: Similarly, while several Quality names have material exposure to tariffs and the global supply chain the cohort has broadly benefited from lower beta, contributing defensiveness to the portfolio.

Event-Driven: Spreads have widened as hedge funds have deleveraged. We believe that these are temporary mark-to-market hits, and deals will eventually close or break based on individual merit. Our team has used this as a window to opportunistically add to deals it believes have unnecessarily sold off.

Volatility: Volatility has moved higher, as expected. Products that are short equity and credit volatility had been getting better prices before the tariff announcement but lost most YTD gains in the first day following the announcement. We are now selling volatility at much higher prices; 5 times the equity implied vols we were seeing in at the beginning of the year. We expect this strategy to benefit from the repricing of uncertainty going forward.

PRODUCT OVERVIEW

The GMO Alternative Allocation Fund seeks to generate annualized returns above the FTSE 3-Month Treasury Bill Index over a complete market cycle by investing in a diversified portfolio of underlying alternative strategies, all run by GMO teams.

Underlying strategies are expected to include but are not limited to: merger arbitrage/event-driven, global macro, fixed income absolute return, asset allocation long/short, market neutral equities, high yield, and systematic put writing strategies. The Fund's success will be linked to the following differentiated features.

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.