

# GMO EMERGING DOMESTIC OPPORTUNITIES FUND

## OVERVIEW

The GMO Emerging Domestic Opportunities Fund's investment objective is total return. The Fund primarily uses fundamental analysis to first select countries and sectors, and then equities of companies whose prospects are linked to the internal ("domestic") development and growth of the world's non-developed markets ("emerging markets"), including companies that provide goods and services to emerging market consumers.

## PORTFOLIO MANAGEMENT



**Amit Bhartia, CFA**

- Joined GMO in 1995
- 26 yrs industry experience
- M.B.A. from the Institute for Technology and Management in Bombay



**Arjun Divecha**

- Joined GMO in 1993
- 39 yrs industry experience
- M.B.A. from Cornell University

Performance Net of Fees (USD) - Share Class II

### TOTAL RETURN (%)

	<i>Portfolio</i>	<i>MSCI Emerging Markets</i>
MTD	6.83	7.46
QTD	8.99	11.84
YTD	19.33	18.44

### ANNUAL TOTAL RETURN (%)

2019	19.33	18.44
2018	-20.41	-14.58
2017	37.47	37.28
2016	4.04	11.19
2015	-8.30	-14.92
2014	-0.69	-2.19
2013	3.40	-2.60
2012	25.08	18.22
2011	-6.95	-17.48

Total Returns and Annual Total Returns do not include the impact of purchase premiums and redemption fees.

If certain expenses were not reimbursed, performance would be lower. Transaction costs, if any, are paid to the fund to offset the cost of portfolio transactions to invest or raise cash.

The Emerging Domestic Opportunities Fund does not have a benchmark. The Fund has been compared to the MSCI Emerging Markets Index in an effort to compare and contrast the Fund versus a broad emerging markets index.

**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](http://www.gmo.com).**

**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](http://www.gmo.com). Read the prospectus carefully before investing.** The GMO Trust funds are distributed in the United States by Funds Distributor LLC. GMO and Funds Distributor LLC are not affiliated.

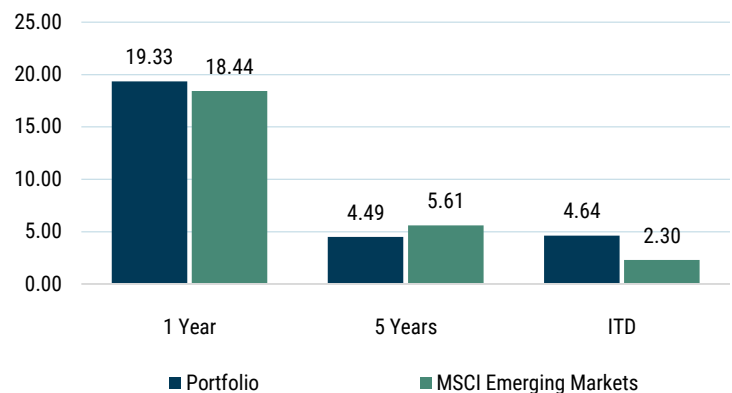
Risks associated with investing in the Fund may include those as follows. (1) Market Risk - Equities: The market price of an equity may decline due to factors affecting the issuer or its industry or the economy and equity markets generally. Declines in stock market prices generally are likely to reduce the net asset value of the Fund's shares. (2) Non-U.S. Investment Risk: The market prices of many non-U.S. securities (particularly of companies tied economically to emerging countries) fluctuate more than those of U.S. securities. Many non-U.S. markets (particularly emerging markets), are less stable, smaller, less liquid, and less regulated than U.S. markets, and the cost of trading in those markets often is higher than it is in U.S. markets. (3) Currency Risk: Fluctuations in exchange rates can adversely affect the market value of the Fund's foreign currency holdings and investments denominated in foreign currencies. For a more complete discussion of these risks and others, please consult the Fund's prospectus.

## FACTS: Share Class II

Fund Inception Date	March 1, 2011
Total Assets as of 12/31/19	\$1bn USD
Ticker Symbol	GEDTX
CUSIP	362013229
Net Expense Ratio	1.18
Gross Expense Ratio	1.19

**Net Expense Ratio reflects the reduction of expenses from fee reimbursements. The fee reimbursements will continue until at least June 30, 2020. 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, 2019.**

## ANNUALIZED RETURNS (%) AS OF 12/31/2019



Inception Date: March 24, 2011

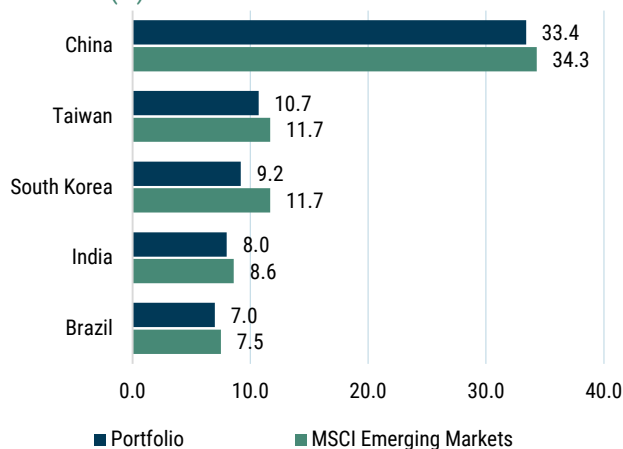
Annualized Returns include the impact of purchase premiums and redemption fees.

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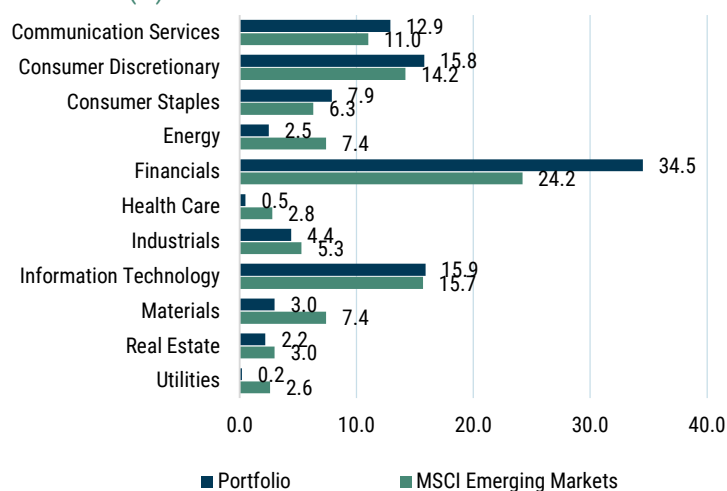
## CHARACTERISTICS

	Portfolio	MSCI Emerging Markets
Price/Earnings - Forecast 1 Yr Wtd Avg	14.1x	12.6x
Price/Earnings - Hist 1 Yr Wtd Mdn	19.0x	16.6x
Price/Book - Hist 1 Yr Wtd Avg	2.2x	1.6x
Price/Cash Flow - Hist 1 Yr Wtd Mdn	13.7x	11.8x
Return on Equity - Hist 1 Yr Mdn	16.5%	13.4%
Market Cap - Wtd Mdn \$Bil	22.0 USD	11.5 USD
Number of Equity Holdings	105	1404

## TOP COUNTRIES (%)



## SECTORS (%)



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The MSCI Emerging Markets Index (MSCI Standard Index Series, net of withholding tax) is an independently maintained and widely published index comprised of global emerging markets large and mid capitalization stocks. MSCI data may not be reproduced or used for any other purpose. MSCI provides no warranties, has not prepared or approved this report, and has no liability hereunder.

## RISK PROFILE - 5-YEAR TRAILING

	Portfolio	MSCI Emerging Markets
Alpha (Jensen's)	-0.06	N/A
Beta	0.77	N/A
R Squared	0.87	N/A
Sharpe Ratio	0.27	0.29
Standard Deviation	12.89	15.66

Alpha is a measure of risk-adjusted return. Beta is a measure of a portfolio's sensitivity to the market. R-Squared is a measure of how well a portfolio tracks the market. Sharpe Ratio is the return over the risk free rate per unit of risk. Std Deviation is a measure of the volatility of a portfolio. Risk profile data is net.

## TOP HOLDINGS

Company	%
Alibaba Group Holding Ltd	8.2
Samsung Electronics Co Ltd	7.4
Tencent Holdings Ltd	6.8
Taiwan Semiconductor Manufacturing Co Ltd	5.8
Digital Telecommunications Infrastructure Fund	3.8
Bank Central Asia Tbk PT	3.3
Itau Unibanco Holding SA	2.3
Ping An Insurance Group Co of China Ltd	2.2
Banco Bradesco SA	1.9
HDFC Bank Ltd	1.8
<b>Total</b>	<b>43.5</b>

Portfolio holdings are percent of equity. Where applicable, the top holdings are derived by looking through to the underlying funds in which the asset allocation funds invest and, where appropriate, individual security positions are aggregated. They are subject to change and should not be considered a recommendation to buy individual securities.



**About GMO:** Founded in 1977, GMO is a private partnership whose sole business is investment management. The firm manages global portfolios with offices and clients around the world. Investment offerings include equity, fixed income, multi-asset class, and alternative strategies. GMO is known for blended fundamental and quantitative investment research expertise and a long-term orientation toward value opportunities.