

## FUND OVERVIEW

The GMO Foreign Small Companies Fund seeks to generate total return greater than that of the S&P Developed ex-U.S. Small Cap Index by investing primarily in non-U.S. developed market equities.

## FUND FACTS

### Fund Identifier (Class III):

Ticker: GMFSX  
Cusip: 362008 61 7

**Inception:** 1/4/95

**Benchmark:** S&P Developed ex-U.S. Small Cap Index

**Assets:** \$18 Million

### Portfolio Management:

Neil Constable

### Risks:

Risks associated with investing in the Fund may include Small Company Risk, Market Risk – Equities, Non U.S. Investment Risk, Currency Risk, and Illiquidity Risk. For a more complete discussion of these risks and others, please see the Fund's prospectus.

### About GMO:

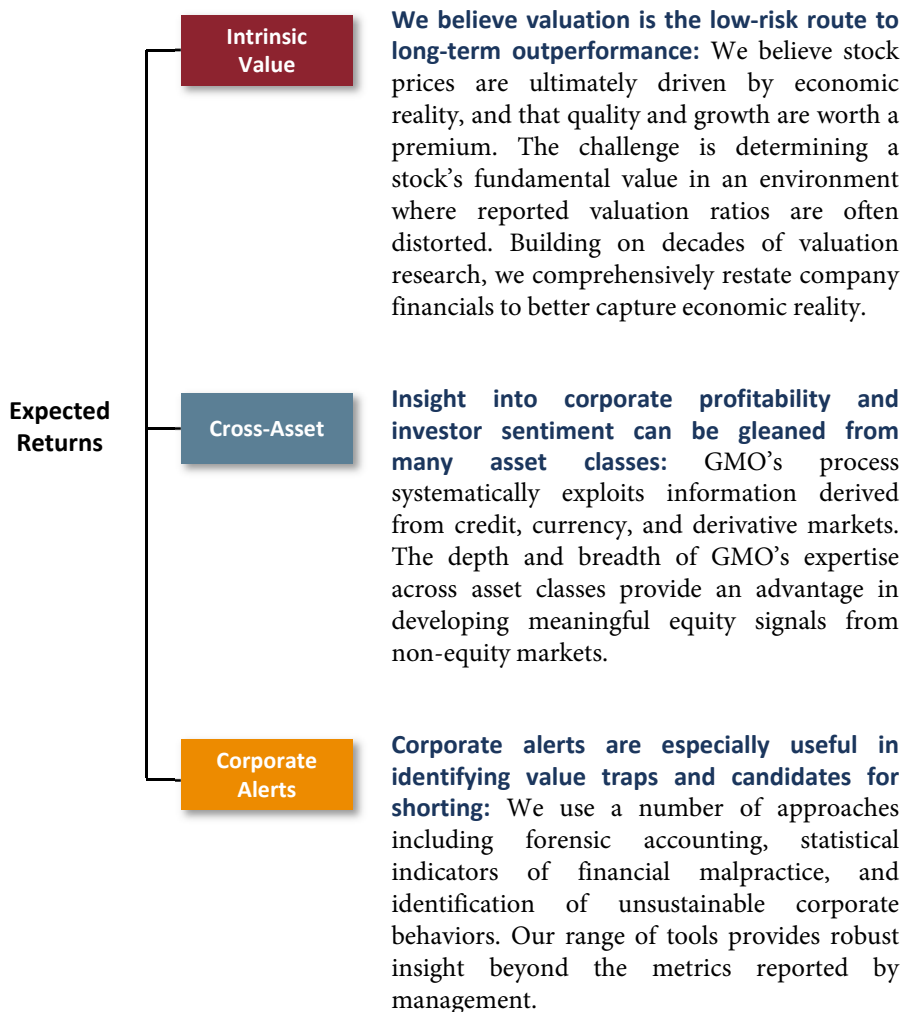
Founded in 1977, GMO is an independently-owned, global institutional investment manager dedicated to providing our clients with superior investment advice and performance.

### Contact Us:

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(617) 330-7500 | www.gmo.com

## INVESTMENT PHILOSOPHY

In the short run, global equity markets exhibit exploitable inefficiencies as a result of irrational investor behavior, the imperfect flow of information, and the participation of non-economic actors. In the long run, however, returns are ultimately driven by economic reality. The difference creates an opportunity for the Global Equity team to focus on valuation in conjunction with less traditional methods to identify mispriced equity securities. Key tenets of the team's systematic quantitative framework include:

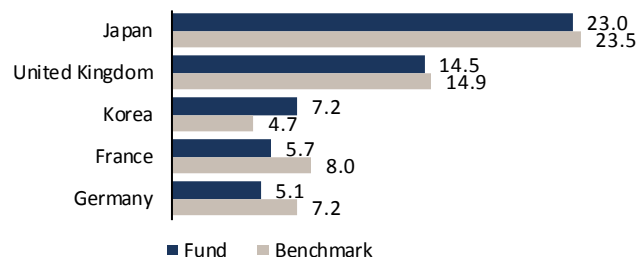


## INVESTMENT APPROACH

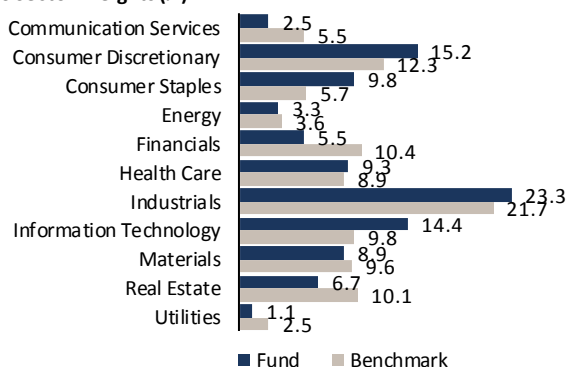
GMO's Foreign Small Companies Fund seeks to outperform over a full market cycle by identifying mispriced assets (both cheap and expensive) through bottom-up security selection. We seek to add value by looking beyond traditional value metrics to understand a security's intrinsic value, taking into consideration a company's quality and growth prospects, and using alternative indicators of mispricing to gain a differentiated view into company fundamentals, including cross-asset and corporate governance signals. We then build a portfolio seeking to maximize expected alpha subject to investment risk, liquidity, and cost considerations, including transaction costs. We continually monitor our exposure to styles and risk factors, as well as changing risk conditions in global markets.

## FUND PROFILE

### Top Country Weights (%)



### GICS Sector Weights (%)



### 5-Year Risk Profile<sup>1</sup>

	Fund	Benchmark
Alpha	-3.96	0.00
Beta	0.98	1.00
R <sup>2</sup>	0.92	1.00
Sharpe Ratio	-0.05	0.27
Std. Deviation	12.47	12.22

### Characteristics

	Fund	Benchmark
Price/Earnings - Hist 1 Yr Wtd Median	11.7 x	18.4 x
Price/Book - Hist 1 Yr Wtd Avg	1.3 x	1.5 x
Return on Equity - Hist 1 Yr Med	13.8 %	9.5 %
Market Cap - Weighted Median \$Bil	\$0.8	\$1.4
Number of Equity Holdings	197	3,856
Price/Cash Flow - Hist 1 Yr Wtd Median	7.9 x	11.1 x

### Top Holdings<sup>2</sup>

Company	Country	Sector	% of Equity
Gaztransport et technigaz	France	Energy	2.6
Fancl Corp.	Japan	Consumer Staples	2.5
House Foods Corp.	Japan	Consumer Staples	2.3
Sojitz Corp.	Japan	Industrials	2.1
Vesuvius PLC	United Kingdom	Industrials	2.1
<b>Total</b>			<b>11.6</b>

<sup>1</sup> Alpha is a measure of risk-adjusted return; Beta is a measure of a portfolio's sensitivity to the market; R<sup>2</sup> 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.

<sup>2</sup> Portfolio holdings are percent of equity. They are subject to change and should not be considered a recommendation to buy individual securities.

## PERFORMANCE NET OF FEES (CLASS III)

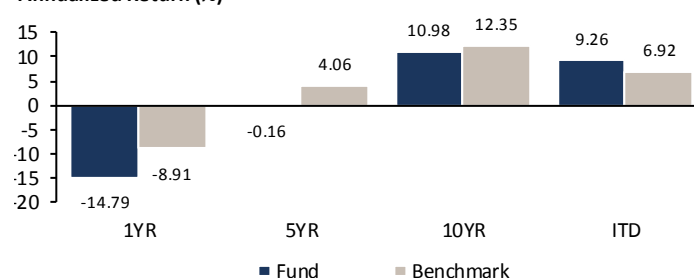
### Total Return (%)<sup>1</sup>

	Fund	Benchmark
1Q 2019	6.97	10.38
YTD 2019	6.97	10.38

### Annual Total Return (%)<sup>1</sup>

Year	Fund	Benchmark
2018	-22.47	-18.41
2017	30.36	32.37
2016	0.14	3.78
2015	6.18	5.92
2014	-10.17	-3.42
2013	28.25	26.06
2012	22.57	18.55
2011	-15.25	-14.49
2010	24.83	21.96
2009	44.58	45.07

### Annualized Return (%)<sup>2</sup>



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 fund's prospectus. To obtain a prospectus please visit [www.gmo.com](http://www.gmo.com). Read the prospectus carefully before investing.

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).

Fees (Class III): Gross Expense Ratio 0.90% equal to the Fund's Total Annual Operating Expense set forth in the Fund's most recent prospectus dated June 30, 2018.

Net Expense Ratio 0.77% reflects the reduction of expenses from fee reimbursements. The fee reimbursements will continue until at least June 30, 2019. Elimination of this reimbursement will result in higher fees and lower performance.

<sup>1</sup> Does not include the impact of purchase premiums and redemption fees.

<sup>2</sup> Includes the impact of purchase premiums and redemption fees.

The S&P Developed ex-U.S. Small Cap Index is an independently maintained and widely published index comprised of the small capitalization stock component of the S&P Broad Market Index (BMI). The BMI includes listed shares of companies from developed and emerging countries with a total available market capitalization (float) of at least the local equivalent of \$100 million USD. The S&P Developed ex-U.S. Small Cap Index represents the bottom 15% of available market capitalization (float) of the BMI in each country. S&P does not guarantee the accuracy, adequacy, completeness or availability of any data or information and is not responsible for any errors or omissions from the use of such data or information. Reproduction of the data or information in any form is prohibited except with the prior written permission of S&P or its third party licensors.

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

Prior to June 30, 2017, the Fund was managed by a different investment team pursuant to a different investment strategy, which reduces the relevance of the performance information shown for periods prior to June 30, 2017.