

QUARTERLY INVESTMENT REVIEW

Usonian Japan Value Creation Fund

Performance returns (USD)

ANNUALIZED RETURNS (QUARTER-END)	Quarter-End	YTD	1-Year	3-Year	5-Year	10-Year	Since Inception
Usonian Japan Value Creation Fund (net)	11.52	18.28	22.02	17.11	-	-	10.34
Usonian Japan Value Creation Fund (gross)	11.68	18.61	22.72	17.78	-	-	10.97
Tokyo Stock Price Index (TR)	11.28	12.76	15.49	15.17	-	-	7.25
Value Add	+0.24	+5.52	+6.54	+1.94	-	-	+3.09

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.

MAJOR PERFORMANCE DRIVERS

Japanese equities rebounded in the second quarter with the TOPIX index gaining 7.5% in yen terms. Although stocks sank at the beginning of April after the U.S. announced its intention to levy tariffs on its trading partners, including Japan, the index steadily pushed higher over the remainder of the quarter. During the initial sell-off, the yen strengthened from about 150/USD to 140/USD but settled around 145/USD at the end of the quarter. 10-year JGB yields initially plummeted from nearly 1.60% to as low as 1.06% in early April but recovered to 1.40% by the end of the month.

Buyback announcements surged over 80% in 2024 and rose again in the first half of 2025 despite the massive uncertainty around tariffs. For its part, M&A increased by three times in the first half of 2025. In light of this progress, the buyout of Toyota Industries by insiders for a song stands out. The deal was likely timed to get ahead of new TSE rules that came into effect July 22 and would have made the deal much more difficult.

Inception Date: 14-Sep-20
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) Market Risk - Equities: the market price of equities may decline due to factors affecting the issuer, its industries, 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) Management and Operational Risk: the risk that GMO's investment techniques will fail to produce desired results, including annualized returns and annualized volatility; and (3) Focused Investment Risk: the Fund invests its assets in the securities of a limited number of issuers, and a decline in the market price of a particular security held by the Fund may affect the Fund's performance more than if the Fund invested in the securities of a larger number of issuers. 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: 0.59%; Gross Expense Ratio: 0.69% Net Expense Ratio reflects the reduction of expenses from fee reimbursements. The fee reimbursements will continue until at least June 30, 2026. 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, 2025.

QUARTERLY INVESTMENT REVIEW

MAJOR PERFORMANCE DRIVERS CONT.

Key factors were mixed this quarter. Value stocks underperformed growth stocks by 9.6% and small caps held their own, outperforming large caps by 20 bps.^[1] Given the threat of looming tariffs, sectors such as autos and steel were among the weakest-performing sectors. In addition, banks performed poorly in sympathy with declining interest rates. On the other hand, domestically oriented sectors such as telecom, retail, and construction performed well.

Against this backdrop, the portfolio outperformed the TOPIX. Stock selection was strong in Industrials and somewhat soft in Information Technology and Consumer Staples.

While our stock selection is purely bottom-up, understanding macro, business, and regulatory trends helps us manage the portfolio effectively. To do this, we pull out key topics in our portfolio companies and work inductively to understand which topics influenced overall company performance and the overall performance of our portfolio, with the caveat that this is not a scientific exercise. Although this thematic exercise did not yield many clear takeaways over the past few quarters, this quarter it did. In looking at the key topics for our portfolio companies during the quarter, those that impacted the most holdings were strong domestic IT demand and higher shareholder distributions on the positive side, and tariffs on the negative side. Companies related to defense and semiconductors performed especially well.

Please see our complete Quarterly Letter, available from your GMO relationship manager, for a more detailed discussion that highlights how tariff introductions may impact Japanese equities, recaps the recent upper house election, and reviews progress on corporate reform initiatives, including their positive impact on most corporate behavior.

Portfolio weights, as a percentage of equity, for the securities mentioned are as follows: Toyota Industries (2.7%).

[1] Performance of value, growth, small, and large caps is defined as the total returns of MSCI Japan Value, MSCI Japan Growth, and MSCI Japan Small Cap, and MSCI Japan Large Cap indices, respectively, in yen terms, for the period ending June 30, 2025.

QUARTERLY INVESTMENT REVIEW

PRODUCT OVERVIEW

Usonian Japan Value Creation Fund seeks total return and measures its performance against the TOPIX Total Return Index (the “Index”) for performance comparison purposes. The Fund employs a fundamental, value-oriented approach to invest in equities of Japanese companies and companies tied economically to Japan.

In managing the Fund, the Usonian Japan Equity team follows a disciplined, bottom-up approach using fundamental research to identify equities that we believe are undervalued with high quality balance sheets. The team spends considerable time developing a high level of knowledge about the companies in which the Fund invests and engages collaboratively with corporate management with the ultimate goal of unlocking shareholder value and mitigating risk.

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): TOPIX (Net of dividend withholding tax) is a free-float adjusted market capitalization-weighted index that is calculated based on all the domestic common stocks listed on the TSE First Section.

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

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