

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)	7.81	27.51	19.02	23.60	11.59	-	11.45
Usonian Japan Value Creation Fund (gross)	7.98	28.07	19.72	24.32	12.23	-	12.09
Tokyo Stock Price Index (TR)	8.44	22.28	17.28	21.24	8.85	-	8.61
Value Add	-0.64	+5.23	+1.74	+2.36	+2.74	-	+2.84

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](http://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 were strong in the third quarter with the TOPIX index gaining 10.0% in yen terms. Stocks rose following the announcement of a U.S.-Japan trade agreement establishing a 15% tariff rate in July, weak U.S. employment data and stable CPI (which boosted hopes for the Fed to ease U.S. interest rates), and better-than-expected Japan GDP data. The Nikkei 225 and TOPIX hit fresh record highs in September and early October after Takaichi's leadership victory, as investors bet on pro-growth fiscal policies and a weaker yen to support exporters. The yen weakened from about ¥144/USD to ¥148/USD over the quarter, even as JGB yields rose from 1.43% to 1.65% and U.S. Treasury yields declined modestly, shrinking the U.S.-Japan yield differential. The portfolio outperformed the benchmark in yen terms for the quarter.

Key factors were a tailwind for the strategy this quarter. Value stocks outperformed growth stocks by 10.6% and small caps outperformed large caps by 1.0%. Given solid economic growth, rising rates and the soft yen, strong performers during the quarter included financials, trading companies, tires, and cable companies (driven by AI), while shippers, retailers, and pharma were among the weakest. Stock selection was strong in Industrials, IT, and Consumer Staples, while Consumer Discretionary was the largest detractor. The portfolio also lagged in Financials, which contain a higher proportion of companies that are not interest rate sensitive compared to the sector overall.

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.

We continue to find compelling opportunities through our screens, networks, and fundamental work. Please see our complete Quarterly Letter, available from your GMO relationship manager, for a more detailed discussion including a review of portfolio activity and positioning as well as updates on the political landscape following Prime Minister Ishiba's resignation, Sanae Takaichi's election, and the subsequent split with Komeito; the Bank of Japan's evolving policy stance; and Pacific Industrial.

# 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](http://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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