USONIAN JAPAN VALUE CREATION FUND

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.

MAJOR PERFORMANCE DRIVERS

Japanese equities extended their historic run through the second quarter, with the Nikkei climbing above 72,000 for the first time in the index's history before easing into quarter end. The advance was propelled by surging global AI infrastructure spending, which lifted Japan's semiconductor equipment and materials suppliers, alongside sustained foreign inflows and a yen that stayed historically weak near ¥160, despite the Bank of Japan raising rates to 1% in June — the highest level since 1995. An easing of Middle East tensions in mid-June, following a U.S.-Iran peace framework, also lifted sentiment by reducing pressure on oil prices.

Despite the sharpness of the rally and its concentration in a narrow group of AI- and semiconductor-linked names, we continue to view the backdrop for Japanese equities as constructive. Ongoing corporate governance reforms, sustained focus on capital efficiency, and improving shareholder returns remain important medium- to long-term supports, while emerging real wage growth continues to underpin domestic demand. The portfolio remains oriented toward cash-generative companies with improving governance and conservative balance sheets, where engagement and identifiable company-specific catalysts provide clear paths to value creation without relying on any particular macro outcome or narrow market leadership.

Q2 PERFORMANCE REVIEW & POSITIONING

During the second quarter, the portfolio outperformed the benchmark. This came despite a market environment that was broadly a headwind for the portfolio: value stocks underperformed the index by approximately 6.9%, and small-cap stocks underperformed by 1.8% in local terms. Stock selection contributed positively in Industrials, while Information Technology and Consumer Staples detracted.

AI was the dominant theme of the quarter, with a narrow group of mega-cap stocks driving a significant portion of the market's advance. While the portfolio had limited exposure to many of those leaders, it nonetheless outperformed the benchmark, supported by select holdings with AI-related exposure, as well as continued strength in companies benefiting from governance reform and improving capital efficiency.

We continue to approach each holding as engaged stewards, pursuing long-term dialogue to support shareholder-aligned change, while concentrating capital in high-quality businesses purchased at attractive valuations.

Please refer to our full Quarterly Letter, available from your GMO relationship manager. While our investment process is firmly bottom-up, monitoring macroeconomic, business, and regulatory developments remains an important input into effective portfolio management.

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ANNUALIZED RETURNS (USD, %) (QUARTER-END)

	Quarter-End	*YTD*	*1-Year*	*3-Year*	*5-Year*	*10-Year*	*Since Inception*
Usonian Japan Value Creation Fund (net)	13.61	20.92	34.52	22.84	12.38	-	14.18
Usonian Japan Value Creation Fund (gross)	13.76	21.26	35.32	23.56	13.03	-	14.84
Tokyo Stock Price Index (TR)	11.95	13.84	26.88	18.11	9.24	-	10.41
Value Add	+1.65	+7.08	+7.65	+4.73	+3.14	-	+3.77

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.

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: 0.60%; Gross Expense Ratio: 0.69% Net Expense Ratio reflects the reduction of expenses from fee reimbursements. The fee reimbursements will continue until at least 30 June 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 30 June 2025.

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.