QUARTERLY INVESTMENT REVIEW

U.S. Opportunistic Value Fund

RETURNS (%) (USD)

	Cumulative (%)		Annualized (%)				
	QTD	YTD	1 Year	3 Years	5 Years	10 Years	ITD
Net of Fees (Class VI)	3.69	6.22	–	–	–	–	2.65
Gross of Fees (Class VI)	3.79	6.42	–	–	–	–	2.86
S&P Composite 1500	8.39	16.15	–	–	–	–	11.16
S&P Composite 1500 Value	6.39	11.67	–	–	–	–	8.74
Value Added (vs. S&P Composite 1500)	-4.70	-9.93	–	–	–	–	-8.50
Value Added (vs. S&P Composite 1500 Value)	-2.70	-5.45	–	–	–	–	-6.09

Major Performance Drivers

Global markets continued to appreciate in the second quarter, with strong positive moves for Developed Markets and Emerging Markets outside of China. While U.S. growth remained strong, the global growth outlook was clouded by continued U.S.-China trade tensions and deterioration of the Chinese economic outlook after the initial boost post-reopening from Covid. In the U.S., high inflation levels continued to drive expectation for higher rates and concern that rate rises would slow growth, however the quarter ended on an encouraging note as U.S. inflation appeared to be decelerating.

U.S. Value underperformed U.S. Growth in the second quarter, but the magnitude depended on the definition of Value. The S&P 1500 Composite Value index underperformed the S&P 1500 Composite index by 2% in the second quarter, extending the underperformance seen year-to-date. However, second quarter Value underperformance was even greater, at more than 5%, if performance was measured in the context of the MSCI USA IMI Value index relative to its core equivalent. In this environment our valuation models struggled. The silver lining from another challenging quarter is that U.S. deep value continues to look very attractive.

The biggest performance challenges were stock selection decisions in Information Technology, Consumer Discretionary, and Health Care. The portfolio is designed to focus on the current deep value opportunity and avoids holding expensive names. In the second quarter this led to underperformance from not holding names such NVIDIA, Apple, Microsoft, and Amazon in a period where they all posted strong performance relative to the broader market. In contrast, Health Care names detracting from performance included overweights toward deep value stocks including Pfizer.

While sector allocation detracted in aggregate, there were some positive contributors including overweight positioning toward Consumer Services, an underweight toward Consumer Staples, and not holding Utilities.

Portfolio weights, as a percent of equity, for the positions mentioned were: NVIDIA (0.0%), Apple (0.0%), Microsoft (0.0%), Amazon (0.0%) and Pfizer (2.4%)

Inception Date: 13-Dec-22

Risks: Risks associated with investing in the Fund may include Focused Investment Risk, Commodities Risk, Market Risk-Equities, Management and Operational Risk and Smaller Company Risk.Annualized Returns may include the impact of purchase premiums and redemption fees. Returns shown for periods greater than one year are on an annualized basis. To obtain performance information to the most recent month-end, visit www.gmo.com.

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. **Net Expense Ratio: 0.39%; Gross Expense Ratio: 0.66% Net Expense Ratio reflects the reduction of expenses from fee reimbursements. The fee reimbursements will continue until at least June 30, 2024. 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 February 11, 2023.**

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. The portfolio is not managed relative to a benchmark. References to an index are for informational purposes only.

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PRODUCT OVERVIEW

The GMO U.S. Opportunistic Value Fund seeks total return. The Fund currently seeks to profit from our Asset Allocation team's insight that "deep value" stocks are truly dislocated in the U.S. This actively managed Fund avoids the "shallow value" stocks, which are expensive relative to their own history, and focuses solely on the deep value names that GMO's Systematic Equity team identifies as the most undervalued, recognizing that relying on reported financials and index definitions of value can lead investors to misjudge the opportunity.

IMPORTANT INFORMATION

Comparator Index(es): The S&P Composite 1500 combines three leading indices, the S&P 500, the S&P MidCap 400, and the S&P SmallCap 600, to cover approximately 90% of U.S. market capitalization. It is designed for investors seeking to replicate the performance of the U.S. equity market or benchmark against a representative universe of tradable stocks.

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.

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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