

INTERNATIONAL DEVELOPED EQUITY ALLOCATION FUND

Investment Review: Quarter Ending December 31, 2022

OVERVIEW

The GMO International Developed Equity Allocation Fund seeks total return greater than that of its benchmark, the MSCI EAFE Index.

PERFORMANCE (%)

Net of Fees, Class III, Fair Value, USD	+17.89
Gross of Fees, Class III, Local Close, USD	+17.42
MSCI EAFE ¹	+17.34
Value Added	+0.08

Major Performance Drivers

- Top-down asset allocation was negative for the quarter, driven by our overweight positions in Emerging ex-China.
- Security selection was positive for the quarter, as we beat the benchmark within our Emerging Markets and Developed exposures.

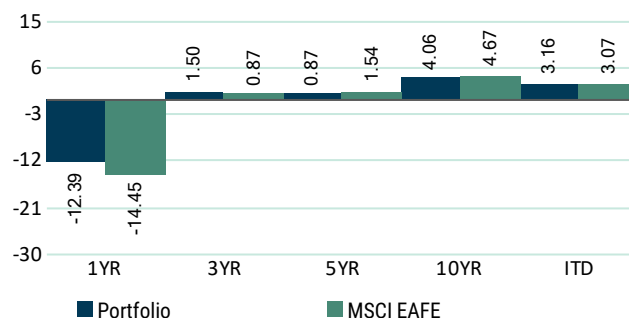
Emerging ex-China equities, with an emphasis on undervalued stocks within attractively valued countries/sectors, represented 8.0% of the total equity weight on average during the quarter. Our decision to hold a position in Emerging ex-China equities detracted from relative performance as the MSCI Emerging ex-China index returned 8.0% for the quarter, well behind the MSCI EAFE index return of 17.3%. This was partly offset by good security selection, as the portfolio returned 12.5%. Our overweight position in Korea and underweight positions in India and Saudi Arabia contributed to relative returns within Emerging Markets.

Developed ex-U.S. equities accounted for an average weight of 91.1% of the portfolio for the quarter, including the dedicated Japan Value position. Security selection within developed was ahead of the index for the broader portfolio, while Japan Value modestly lagged the TOPIX. Overall, the developed portfolio returned 18.1%, which was a little ahead of the MSCI EAFE return of 17.3%, but behind the MSCI EAFE Value return of 19.6%. Overweight positions in Banco Bilbao (Spain Financials), Banco de Sabadell (Spain Financials), Randstad (Netherlands Industrials), Rio Tinto (Australia Materials), and Saint-Gobain (France Industrials) featured in the top five biggest individual contributors to relative performance at the total portfolio level. On the flipside, overweight positions in Roche (Switzerland Health Care), Canon (Japan Information Technology), KDDI (Japan Communication Services), and Nippon Telegraph & Telephone (Japan Communication Services), along with an underweight position in Novo Nordisk (Denmark Health Care) featured in the top five biggest individual detractors from relative performance at the total portfolio level.

Portfolio weights, as a percent of equity, for the positions mentioned were: Banco Bilbao (2.3%), Banco de Sabadell (1.3%), Randstad (1.6%), Rio Tinto (2.2%), Saint-Gobain (2.0%), Roche (3.3%), Canon (1.9%), KDDI (2.3%), Nippon Telegraph & Telephone (2.1%), and Novo Nordisk (0.0%).

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 investors 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. Gross Expense Ratio of 0.68% is equal to the Funds Total Annual Operating Expenses set forth in the Funds most recent prospectus dated June 30, 2022.

ANNUALIZED RETURN (%) AS OF 12/31/2022



Inception date: 06/05/2006

Includes purchase premiums and redemption fees impact if applicable.

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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. Read the prospectus carefully before investing.

Risks associated with investing in the Fund may include, Market Risk-Equities, Non-U.S. Investment Risk Management and Operational Risk, Currency Risk and Derivative and Short Sale Risk. For a more complete discussion of these risks and others, please consult the Fund's prospectus. The GMO Trust funds are distributed in the United States by Funds Distributor LLC. GMO and Funds Distributor LLC are not affiliated.

¹ The MSCI EAFE (Europe, Australasia, and Far East) Index (MSCI Standard Index Series, net of withholding tax) is an independently maintained and widely published index comprised of international large and mid capitalization stocks. MSCI data may not be reproduced or used for any other purpose. MSCI provides no warranties, has not prepared or approved this report, and has no liability hereunder.