

QUARTERLY INVESTMENT REVIEW

U.S. Equity Fund

RETURNS (%) (USD)

	Cumulative (%)		Annualized (%)				
	QTD	YTD	1 Year	3 Years	5 Years	10 Years	ITD
Net of Fees (Class III)	11.22	21.88	21.88	12.15	15.57	10.65	11.16
Gross of Fees (Class III)	11.35	22.46	22.46	12.67	16.10	11.17	11.68
S&P Composite 1500	11.78	25.47	25.47	9.84	15.39	11.76	-
Value Added (vs. S&P Composite 1500)	-0.56	-3.59	-3.59	2.30	0.18	-1.11	11.16

Major Performance Drivers

Global markets finished the year on a strong note in the fourth quarter, contributing to double-digit gains for the full year. Positive performance was broad-based with all developed markets finishing in positive territory, along with nearly every emerging market. The notable exception to this positivity was China, where a mix of financial and policy challenges continues to weigh on sentiment. While geopolitical tensions ratcheted up with Hamas' attack on Israel, and accompanying concerns related to broader conflict in the Middle East and the potential disruption of trade, equity markets remained unfazed and oil prices fell, helping to underpin positive sentiment around falling global inflation.

Amid the strong finish to the year for equities, valuation-oriented models struggled and momentum-oriented model performance was mixed, leading to portfolio underperformance. Models with a quality orientation, such as Quality Boosted Value and Alerts, were among the better performers.

Challenges in the fourth quarter included a mix of allocation and stock selection decisions. Stock selection in Health Care was the biggest detractor, including overweight positioning in Bristol-Myers Squibb, Pfizer, and Humana. An overweight toward Energy also hurt benchmark-relative performance. Underweight positioning in Microsoft was also among the top stock-level detractors.

In contrast, stock selection in Consumer Discretionary was a bright spot for portfolio performance, including underweight positioning in Tesla and overweight positioning in Garmin. Other top contributors for the quarter included overweight positioning in Semiconductor companies Intel and Qualcomm.

Portfolio weights, as a percent of equity, for the positions mentioned were: Bristol-Myers Squibb (1.2%), Pfizer (1.6%), Humana (1.0%), Microsoft (5.0%), Tesla (0.0%), Garmin (1.9%), Intel (3.4%), and Qualcomm (2.4%).

Inception Date: 18-Sep-85

Risks: Risks associated with investing in the Fund may include: (1) Market Risk - Equities: The market price of an equity may decline due to factors affecting the issuer or its industry 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. (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 risks and others, please consult the Fund's prospectus. 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: 0.48%; Gross Expense Ratio: 0.52%** 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 June 30, 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. Performance information presented is that of Class III shares of GMO U.S. Core Fund for all periods ending on or before September 16, 2005.

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PRODUCT OVERVIEW

The GMO U.S. Equity Fund seeks to generate high total return by investing primarily in U.S. equities. The Strategy's benchmark is the S&P Composite 1500+ Index.

The Fund's investment approach is grounded in the Systematic Equity team's belief that, in the short term, equity markets exhibit exploitable inefficiencies as a result of irrational investor actions, the imperfect flow of information, and the participation of non-economic actors, while in the long-term returns are ultimately driven by economic reality. The Fund aims to take advantage of this inefficiency by utilizing a multi-factor valuation model in conjunction with other methods, such as cross-asset signals and corporate alerts, to identify mispriced equity securities.

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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