

QUARTERLY INVESTMENT REVIEW

International Equity Allocation Fund

RETURNS (%) (USD)

	Cumulative (%)		Annualized (%)				
	QTD	YTD	1 Year	3 Years	5 Years	10 Years	ITD
Net of Fees (Class III)	10.45	20.23	20.23	1.73	6.87	2.91	6.28
Gross of Fees (Class III)	10.63	21.03	21.03	2.40	7.57	3.60	7.03
MSCI ACWI ex USA	9.75	15.62	15.62	1.55	7.08	3.83	5.07
Value Added (vs. MSCI ACWI ex USA)	0.70	4.61	4.61	0.18	-0.21	-0.92	1.22

Major Performance Drivers

- Top-down asset allocation had a minor negative impact for the quarter, as the overweight position in Emerging Market equities underperformed.
- Security selection was positive, driven by an excellent relative return in Emerging Markets.

Emerging equities, with an emphasis on undervalued stocks within attractively valued countries/sectors, represented 37.3% of the total portfolio weight on average during the quarter. Our overweight position in emerging equities detracted from relative performance as the MSCI Emerging Market index returned 7.9%, well behind the MSCI ACWI ex USA return of 9.8%, although the MSCI Emerging Market ex-China index returned a much more impressive 13.0%. Security selection had a significant positive impact, as the broad Emerging Market exposure returned 13.7% and the Emerging Market ex-China portfolio returned 16.1%. Overweight positions in Anglo American Platinum (South Africa Materials), LARGAN Precision (Taiwan Information Technology), and Kumba Iron Ore (South Africa Materials), along with an underweight position in Alibaba (China Consumer Discretionary) featured in the top five biggest individual contributors to relative performance at the total portfolio level. On the flipside, an overweight position in China Feihe (China Consumer Staples) featured in the five biggest individual detractors from relative performance for the quarter.

Developed ex-U.S. equities accounted for an average weight of 61.9% of the portfolio for the quarter, including the dedicated Japan Value position. This underweight position in Developed ex-U.S. had a small negative impact on relative performance as Developed Markets beat Emerging Markets. Security selection within Developed Markets was challenging for the quarter and the portfolio returned 8.4% in aggregate. An overweight position in 3i Group (U.K. Financials) featured in the top five biggest individual contributors to relative performance at the total portfolio level. On the flipside, overweight positions in Sanofi (France Health Care), BAT (U.K. Consumer Staples), and Ahold (Netherlands Consumer Staples), along with an underweight position in ASML (Netherlands Information Technology) featured in the five biggest individual detractors from relative performance for the quarter.

Portfolio weights, as a percent of equity, for the positions mentioned were: Anglo American Platinum (1.0%), LARGAN Precision (0.8%), Kumba Iron Ore (0.8%), Alibaba (0.0%), China Feihe (0.7%), 3i Group (1.3%), Ahold (1.1%), ASML (0%), Sanofi (1.4%), and BAT (1.3%).

Inception Date: 11-Oct-96

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) Non-U.S. Investment Risk: The market prices of many non-U.S. securities (particularly of companies tied economically to emerging countries) fluctuate more than those of U.S. securities. Many non-U.S. markets (particularly emerging markets) are less stable, smaller, less liquid, and less regulated than U.S. markets, and the cost of trading in those markets often is higher than it is in U.S. markets. (3) Management and Operational Risk: The risk that GMO's investment techniques will fail to produce desired results. 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.

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. 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: 0.67%; Gross Expense Ratio: 0.70%** 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.

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PRODUCT OVERVIEW

The GMO International Equity Allocation Fund seeks to generate total return greater than that of the MSCI All Country World ex-U.S. Index.

The philosophy that underlies all of GMO's Asset Allocation investment strategies is the belief that, at times and in the short term, the pricing of asset classes can deviate from true intrinsic value, but mean reverts to appropriate valuation levels over the long term. Using GMO's 7-Year Asset Class Forecasts, the Fund seeks to allocate to areas of the global equity markets we believe are most attractively valued. Our approach combines the best of GMO's top-down Asset Allocation views and bottom-up equity research to identify mispricings at both the asset class and individual security levels. The Fund allocates to equity strategies that are actively managed by other GMO investment teams with expertise and experience in security selection within their respective markets.

IMPORTANT INFORMATION

Benchmark(s): The MSCI ACWI ex USA Index (MSCI Standard Index Series, net of withholding tax) is an independently maintained and widely published index comprised of international (excluding U.S. and including emerging) 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.

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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