

# QUARTERLY INVESTMENT REVIEW

## Global Developed Equity Allocation Fund

### Performance returns (USD)

ANNUALIZED RETURNS (QUARTER-END)	Quarter-End	YTD	1-Year	3-Year	5-Year	10-Year	Since Inception
Global Developed Equity Allocation Fund (net)	9.17	12.03	15.79	16.92	13.87	8.90	7.79
Global Developed Equity Allocation Fund (gross)	9.31	12.33	16.40	17.54	14.47	9.47	8.35
MSCI World	11.47	9.47	16.26	18.30	14.55	10.66	8.44
Value Add	-2.30	+2.56	-0.47	-1.38	-0.68	-1.76	-0.65

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](http://www.gmo.com).** Returns include a substantial, one-time litigation settlement recovery received on December 16, 2024. This event contributed 1.42% to 2024 annual performance. Performance for other periods, including this date, was also positively impacted, sometimes materially. Without this recovery, performance would have been lower in both absolute terms and relative to the benchmark. Additional information is available upon request.

### MAJOR PERFORMANCE DRIVERS

– Top-down asset allocation significantly detracted from relative performance, as Value and Small Caps lagged badly in the U.S. and Resource equity also had a difficult quarter.

– Security selection was mildly positive for the quarter. Quality lagged in the U.S. but this was more than offset by good performance elsewhere. Core Developed ex-U.S. was strong and the Resource equity exposure was significantly ahead of the MSCI ACWI Commodity Producers index.

U.S. equities accounted for 46.8% of the total portfolio on average through the quarter, comprising 2.9% in U.S. Small Cap Value equity, 5.0% in U.S. Small Cap Quality equity, 11.9% in broad U.S. equity, 14.9% in U.S. Opportunistic Value equity, and the remainder in the Quality and Resources strategies. This leaves the portfolio 24.6% underweight U.S. equities in total; this had a limited impact on relative performance for the quarter as the MSCI USA index returned 11.3%, broadly in line with MSCI World.

Security selection in the U.S. was challenging as, in aggregate, our U.S. portfolio returned 6.9%. Underweight positions in Apple (Information Technology), Berkshire Hathaway (Financials), and Eli Lilly (Health Care) featured in the top five biggest individual contributors to relative performance for the quarter. On the flipside, underweight positions in NVIDIA (Information Technology), Microsoft (Information Technology), Broadcom (Information Technology), and Netflix (Communication Services) featured in the top five biggest individual detractors from relative performance at the total portfolio level.

Inception Date: 16-Jun-05

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) 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. 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: 0.53%; Gross Expense Ratio: 0.63% Net Expense Ratio reflects the reduction of expenses from fee reimbursements. The fee reimbursements will continue until at least June 30, 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 June 30, 2025.**

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## MAJOR PERFORMANCE DRIVERS CONT.

Developed ex-U.S. equities accounted for an average weight of 48.7% of the portfolio for the quarter, including the dedicated Japan Value position and some exposure from Quality and Resources. This overweight position in Developed ex-U.S. had a small positive impact on relative performance as the MSCI World ex-U.S. index returned 12.0%, ahead of the MSCI World index. Security selection within Developed Markets was broadly flat for the quarter and the portfolio returned 12.0% in aggregate. An overweight position in NEC (Japan Information Technology) featured in the top five biggest individual contributors, while an overweight position in Sanofi (France Health Care) featured in the top five biggest individual detractors from relative performance for the quarter.

The exposure to emerging market equities has reduced considerably and represented 3.2% of the total portfolio weight on average during the quarter. This had no meaningful impact on performance as the MSCI Emerging Market index returned 12.0%, just beating the MSCI World index return of 11.5%, although security selection was strong as the portfolio returned 14.7%. An overweight position in TSMC (Taiwan Information Technology) featured in the top five biggest individual contributors to relative performance at the total portfolio level, while no Emerging Markets names featured in the top five biggest individual detractors.

Portfolio weights, as a percent of equity, for the positions mentioned were: Eli Lilly (0.2%), Berkshire Hathaway (0.0%), Broadcom (0.3%), Netflix (0.0%), Apple (1.3%), NEC (0.8%), NVIDIA (0.6%), TSMC (0.7%), Microsoft (1.6%), and Sanofi (0.9%).

# QUARTERLY INVESTMENT REVIEW

## PRODUCT OVERVIEW

The GMO Global Developed Equity Allocation Fund seeks to generate total return greater than that of the MSCI World 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 a complete market cycle. 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. The Fund is allowed to invest up to 10% (at time of purchase) in emerging market equities.

## 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](http://www.gmo.com). Read the prospectus carefully before investing.**

**Benchmark(s):** The MSCI World Index (MSCI Standard Index Series, net of withholding tax) is an independently maintained and widely published index comprised of global developed markets. 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.

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.

AMSTERDAM

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SAN FRANCISCO\*

SINGAPORE

SYDNEY

TOKYO\*\*

\*GMO's West Coast Hub is comprised of members of Investment, Global Client Relations, and other teams located in and around the Greater San Francisco area

\*\*Representative Office

[www.GMO.com](http://www.GMO.com)