# INTERNATIONAL EQUITY

## OVERVIEW

The GMO International Equity Fund seeks to generate high total return by investing primarily in non-U.S. developed market equities. The Fund measures its performance against the MSCI World ex USA Index for performance comparison purposes.

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 these inefficiencies by utilizing a multi-factor valuation model in conjunction with other methods, such as momentum and corporate alerts, to identify undervalued equity securities.

**The Fund offers both mutual fund share classes and an ETF class of shares. The ETF class shares are listed and traded on a national securities exchange and are not individually redeemable, unlike the mutual fund class shares. An investment in the ETF class shares is not an investment in a mutual fund, and an investment in the mutual fund class shares in not an investment in an ETF.**

## FACTS

| | |
|---|---|
| Share Class | Class III |
| Share Class Ticker | GMOIX |
| Share Class Inception | 31-Mar-87 |
| Fund Inception | 31-Mar-87 |
| Total Assets | $1.4bn USD |
| Index | MSCI World ex USA |
| Alternate Index | MSCI World ex USA Value |

## CUMULATIVE TOTAL RETURNS (USD, NET OF FEES, %)

| | *MTD* | *QTD* | *YTD* | *2025* | *2024* | *2023* | *2022* | *2021* |
|---|---|---|---|---|---|---|---|---|
| Class III | -1.79 | -1.79 | 18.42 | 44.00 | 12.98 | 20.49 | -10.43 | 12.14 |
| Index | -0.19 | -0.19 | 9.96 | 31.85 | 4.70 | 17.94 | -14.29 | 12.62 |
| Alternate Index | 0.50 | 0.50 | 9.96 | 42.23 | 6.65 | 18.48 | -5.64 | 13.26 |

## RISK PROFILE (5-YEAR TRAILING)

| | |
|---|---|
| Alpha (Jensen's) | 7.18 |
| Beta | 0.96 |
| R Squared | 0.90 |
| Sharpe Ratio | 0.78 |
| Standard Deviation | 15.44 |

## ANNUALIZED TOTAL RETURNS (USD, NET OF FEES, %)

| | *1 Year* | *3 Years* | *5 Years* | *10 Years* | *ITD* |
|---|---|---|---|---|---|
| Class III | 27.91 | 29.69 | 15.94 | 12.19 | 8.42 |
| Index | 14.44 | 20.53 | 8.98 | 9.46 | 6.08 |
| Alternate Index | 24.15 | 25.83 | 8.98 | 9.46 | 7.40 |

## ANNUAL EXPENSES (%)

| | |
|---|---|
| Net Expense Ratio | 0.68 |
| Gross Expense Ratio | 0.72 |

**Net Expense Ratio reflects the reduction of expenses from fee reimbursements. The fee reimbursements will continue until at least 30 June 2027. Elimination of this reimbursement will result in higher fees and lower performance.**
**Gross Expense Ratio is equal to the Fund's Total Annual Operating Expenses set forth in the Funds most recent prospectus dated 30 June, 2026.**

## STANDARDIZED SEC RETURNS (USD, NET OF FEES, %)(AS OF 30-SEP-26)

| | *1 Year* | *3 Years* | *5 Years* | *10 Years* | *ITD* |
|---|---|---|---|---|---|
| Class III | 32.04 | 28.79 | 16.78 | 12.24 | 8.49 |
| Index | 15.89 | 18.89 | 9.66 | 9.27 | 6.10 |
| Alternate Index | 24.33 | 23.70 | 9.66 | 9.27 | 7.41 |

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. **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.** The portfolio is actively-managed, is not managed relative to a benchmark and uses an index for performance comparison purposes only and, where applicable, to compute a performance fee. Returns reflect two substantial one-time events: (i) a litigation settlement recovery received December 16, 2024, which added 5.25% to 2024 performance; (ii) European Union discriminatory tax refunds that increased net assets on November 26, 2025, which added 5.18% to 2025 performance. Each event also positively affected other periods that included the relevant date, in some cases materially. Without these events, absolute and benchmark-relative performance would have been lower. Additional information is available upon request. The Index used for performance reporting purposes changed from the MSCI EAFE Index to the MSCI World ex USA Index effective June 30th, 2026.

**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) 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; and (3) Management and Operational Risk: The risk that GMO's investment techniques will fail to produce desired results, including annualized returns and annualized volatility. For a more complete discussion of these and other risks, please consult the Fund's Prospectus. **Performance Returns:** Returns shown for periods greater than one year are on an annualized basis. 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.

## PORTFOLIO MANAGEMENT



George Sakoulis
Joined GMO in 2020
MA & PhD, University of Washington



Warren Chiang, CFA
Joined GMO in 2015
MBA, University of California, Berkeley

# INTERNATIONAL EQUITY

## CHARACTERISTICS

| | Portfolio | Index |
|---|---|---|
| Price/Earnings - Forecast 1 Yr Wtd Mdn | 11.7x | 16.3x |
| Price/Earnings - Hist 1 Yr Wtd Mdn | 15.1x | 20.8x |
| Price/Book - Hist 1 Yr Wtd Avg | 1.7x | 2.3x |
| Price/Cash Flow - Hist 1 Yr Wtd Mdn | 8.9x | 12.8x |
| Return on Equity - Hist 1 Yr Mdn | 13.4% | 16.0% |
| Debt/Equity - Wtd Mdn | 0.6x | 0.7x |
| Market Cap - Wtd Mdn Bil | 37.9 USD | 69.5 USD |
| Number of Equity Holdings | 168 | 717 |
| Active Share | 77.6% | N/A |

## SECTORS (%)

| Sector | Portfolio | Index |
|---|---|---|
| Communication Services | 4.5 | 3.4 |
| Consumer Discretionary | 5.9 | 7.5 |
| Consumer Staples | 2.6 | 6.6 |
| Energy | 6.9 | 6.1 |
| Financials | 31.4 | 27.3 |
| Health Care | 8.4 | 9.8 |
| Industrials | 22.4 | 17.2 |
| Information Technology | 13.6 | 10.1 |
| Materials | 3.6 | 6.8 |
| Real Estate | 0.2 | 1.3 |
| Utilities | 0.4 | 3.7 |

## MARKET CAP BAND EXPOSURES ($B)

| | Portfolio | Index |
|---|---|---|
| Small (5.6 & Below) | 9.3 | 1.2 |
| Small - Medium (5.6 To 20.6) | 17.0 | 16.6 |
| Medium (20.6 To 52.7) | 34.6 | 24.1 |
| Medium - Large (52.7 To 155.0) | 23.2 | 36.6 |
| Large (155.0 & Above) | 15.9 | 21.4 |

## TOP HOLDINGS

| Company | Country | Sector | % |
|---|---|---|---|
| Sanofi SA | France | Health Care | 2.7 |
| GSK PLC | United Kingdom | Health Care | 2.6 |
| Banco Bilbao Vizcaya Argentaria SA | Spain | Financials | 2.5 |
| Toronto-Dominion Bank/The | Canada | Financials | 2.5 |
| ASML Holding NV | Netherlands | Information Technology | 2.4 |
| Equinor ASA | Norway | Energy | 2.4 |
| Power Corp of Canada | Canada | Financials | 2.4 |
| Vodafone Group PLC | United Kingdom | Communication Services | 2.4 |
| TotalEnergies SE | France | Energy | 2.3 |
| Unipol Assicurazioni SpA | Italy | Financials | 2.3 |
| **Total** | | | **24.5** |

## TOP COUNTRIES (%)

| Country | Portfolio | Index |
|---|---|---|
| Japan | 24.5 | 21.0 |
| Canada | 11.7 | 12.6 |
| United Kingdom | 10.5 | 12.9 |
| France | 10.4 | 8.2 |
| Netherlands | 8.7 | 4.8 |
| Spain | 5.7 | 3.3 |
| Switzerland | 4.6 | 8.6 |
| Hong Kong | 4.6 | 1.6 |
| Germany | 4.2 | 7.7 |
| Norway | 3.4 | 0.6 |

## REGIONS (%)

| Region | Portfolio | Index |
|---|---|---|
| Europe (Developed) | 53.1 | 56.2 |
| Asia Pacific (Developed) | 34.2 | 30.1 |
| North America | 11.7 | 12.6 |
| Cash Equivalents | 0.8 | 0.0 |
| Africa & Middle East (Developed) | 0.2 | 1.0 |

# INTERNATIONAL EQUITY

## 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. Read the prospectus carefully before investing. GMO and GMO Trust have received an exemptive order from the Securities and Exchange Commission permitting series of GMO Trust ("Funds") to offer both a mutual fund share class ("MF Class") and an exchange-traded share class ("Class ETF") that operates as an ETF. Under this structure, the Class ETF shares are listed and traded on a national securities exchange and are generally bought and sold at market-determined prices, whereas the MF Class shares are purchased and redeemed at the Fund's net asset value next determined after receipt of the order Unlike MF Class shares, Class ETF shares are not individually redeemable. Because all of the classes of a multi-class Fund are based on the same portfolio, transactions through one class could generate portfolio transaction costs and tax consequences for shareholders in other classes. In addition, MF Class and Class ETF shareholders of a multi-class Fund will have differing shareholder rights with respect to exchange privileges, how shares are purchased and redeemed, the timing of dividend declarations and payments, and the timing and ability to automatically reinvest dividends. For additional information regarding these differences, please see the applicable prospectus. An investment in the ETF Class shares is not an investment in a mutual fund and an investment in the MF Class shares is not an investment in an ETF. The GMO Fund and Class ETF shares are distributed by Funds Distributor, LLC. GMO and Funds Distributor LLC are not affiliated.**

**Index(es):** The MSCI World ex-USA Index (MSCI Standard Index Series, net of withholding tax) is an independently maintained and widely published index comprised of global developed markets, excluding the United States. 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. Please visit https://www.gmo.com/americas/benchmark-disclaimers/ to review the complete benchmark disclaimer notice.The MSCI World ex USA Value Index (MSCI Standard Index Series, net of withholding tax) is an independently maintained and widely published index comprised of global developed markets, excluding the United States. 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. Please visit https://www.gmo.com/americas/benchmark-disclaimers/ to review the complete benchmark disclaimer notice.

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## GLOSSARY

**Country Exposures:** Based on equity holdings. **Region Exposures:** Based on equity holdings.
**Risk Statistics:** Risk profile data is net of fees. Alpha is a measure of risk-adjusted return. Beta is a measure of a portfolio's sensitivity to the market. R-Squared is a measure of how well a portfolio tracks the market. Sharpe Ratio is the return over the risk free rate per unit of risk. Std Deviation is a measure of the volatility of a portfolio.
**Sector Exposures:** The Global Industry Classification Standard (GICS) is the exclusive intellectual property of MSCI Inc. (MSCI) and Standard & Poor's, a division of The McGraw-Hill Companies, Inc. (S&P). Neither MSCI, S&P, nor any third party makes any representations or warranties, express or implied, with respect to GICS or the results to be obtained by the use thereof, and expressly disclaim all warranties, including of merchantability and fitness for a particular purpose. Neither MSCI, S&P, nor any third party shall have any liability for any damages of any kind relating to the use of GICS. **Top Holdings:** Portfolio holdings are percent of equity. Where applicable, the top holdings are derived by looking through to the underlying funds in which the asset allocation funds invest and, where appropriate, individual security positions are aggregated. They are subject to change and should not be considered a recommendation to buy individual securities.
Please refer to https://www.gmo.com/americas/glossary-of-terms/ for additional portfolio characteristic definitions.

## 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 | BOSTON | LONDON | 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