

USONIAN JAPAN VALUE CREATION FUND

Quarterly Investment Review

ANNUALIZED RETURNS (USD, %) (QUARTER-END)

	Quarter-End	YTD	1-Year	3-Year	5-Year	10-Year	Since Inception
Usonian Japan Value Creation Fund (net)	6.44	6.44	32.06	20.12	8.84	-	12.25
Usonian Japan Value Creation Fund (gross)	6.59	6.59	32.84	20.82	9.47	-	12.90
Tokyo Stock Price Index (TR)	1.69	1.69	26.12	15.74	6.63	-	8.67
Value Add	+4.75	+4.75	+5.94	+4.38	+2.21	-	+3.59

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).** 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.

MAJOR PERFORMANCE DRIVERS

Japan’s equity market entered 2026 following the historic rally of 2025, trading at elevated levels as structural positives increasingly competed with short-term macro uncertainty. The year began on solid footing, supported by a weak yen, resilient corporate earnings, and expectations for continued wage growth underpinning domestic demand. As the quarter progressed, however, volatility increased amid rising oil prices, supply chain concerns, and general uncertainty following the military action in Iran by U.S. and Israeli forces.

Despite near-term volatility, we continue to view the backdrop for Japanese equities as constructive. Ongoing corporate governance reforms, sustained focus on capital efficiency, and improving shareholder returns remain important medium- to long-term supports. The portfolio remains oriented toward cash-generative companies with improving governance and conservative balance sheets, where engagement and identifiable company-specific catalysts provide clear paths to value creation without relying on any particular macro outcome.

Inception Date: 14-Sep-20  
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) 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 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: 0.59%; Gross Expense Ratio: 0.69%** Net Expense Ratio reflects the reduction of expenses from fee reimbursements. The fee reimbursements will continue until at least 30 June 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 30 June 2025.

## USONIAN JAPAN VALUE CREATION FUND

*Quarterly Investment Review*

## MAJOR PERFORMANCE DRIVERS CONT..

## Q1 PERFORMANCE REVIEW &amp; POSITIONING

During the first quarter, the portfolio outperformed the benchmark. Value stocks outperformed the index by approximately 3.1%, and small-cap stocks outperformed by 2.2% in yen terms, creating a generally favorable style backdrop for the portfolio, although commodity-driven market dynamics proved to be a headwind. Stock selection contributed positively in Industrials, while Health Care and Financials detracted.

Performance was notably bifurcated within the quarter. Through February, the portfolio outperformed the TOPIX by approximately 4% year to date, supported by strong earnings momentum and continued progress through engagement. In March, however, the Iran conflict and the associated surge in oil prices led to heightened volatility. Stocks that had performed well earlier in the year, as well as companies perceived as sensitive to higher energy costs, came under pressure. As a result, the portfolio underperformed the market during March and finished the quarter ahead of the TOPIX index.

The shift in relative performance during March was largely driven by sharp increases in commodity prices. As a matter of investment discipline, Usonian does not seek to predict commodity cycles and generally avoids commodity-driven businesses, reflecting our view that even sound investment theses can be undermined by unfavorable commodity price movements. While this approach helps limit long-term volatility and dependence on commodity forecasts, it can create short-term headwinds during periods of rapid commodity price appreciation. At the same time, many portfolio companies are users of commodities as production inputs, and periods of acute price increases have historically moderated as companies implement pricing actions, hedging strategies, or operational adjustments, an outcome we believe remains likely in the current environment.

During the quarter, we initiated positions in two companies and exited five, continuing to refine the portfolio while remaining disciplined on valuation and balance sheet quality.

We continue to approach each holding as engaged stewards, pursuing long-term dialogue to support shareholder-aligned change, while concentrating capital in high-quality businesses purchased at attractive valuations.

## USONIAN JAPAN VALUE CREATION FUND

*Quarterly Investment Review*

## PRODUCT OVERVIEW

Usonian Japan Value Creation Fund seeks total return and measures its performance against the TOPIX Total Return Index (the “Index”) for performance comparison purposes. The Fund employs a fundamental, value-oriented approach to invest in equities of Japanese companies and companies tied economically to Japan.

In managing the Fund, the Usonian Japan Equity team follows a disciplined, bottom-up approach using fundamental research to identify equities that we believe are undervalued with high quality balance sheets. The team spends considerable time developing a high level of knowledge about the companies in which the Fund invests and engages collaboratively with corporate management with the ultimate goal of unlocking shareholder value and mitigating risk.

## 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.**

**Comparator Index(es):** TOPIX (Net of dividend withholding tax) is a free-float adjusted market capitalization-weighted index that is calculated based on all the domestic common stocks listed on the TSE First Section.

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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\*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

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