

U.S. SMALL CAP VALUE FUND

Quarterly Investment Review

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

	Quarter-End	YTD	1-Year	3-Year	5-Year	10-Year	Since Inception
U.S. Small Cap Value Fund (net)	3.04	3.04	28.36	15.91	8.82	-	11.65
U.S. Small Cap Value Fund (gross)	3.17	3.17	28.98	16.46	9.33	-	12.16
S&P SmallCap 600 Value	4.32	4.32	23.56	10.10	5.23	-	9.18
Value Add	-1.28	-1.28	+4.80	+5.81	+3.59	-	+2.46

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.**

MAJOR PERFORMANCE DRIVERS

Global equity markets started the year with positive absolute returns across regions, then fell after the U.S. and Israel decided to attack Iran, ending the quarter with all regions posting negative returns. In January and February, the U.S. underperformed markets outside the U.S. However, non-U.S. markets were most directly exposed to disruptions in the trade of energy, commodities, and other critical products from the Middle East and were the worst performers in March.

Amid the market volatility, the S&P SmallCap 600 Index outperformed larger-cap U.S. names, and value modestly outperformed growth within small caps. In this environment, the portfolio underperformed. Performance of value models was mixed, with the strongest benchmark-relative performance from stocks we viewed as only moderately attractive. Stocks we viewed as having poor Idiosyncratic Momentum or which had more Alerts indicating a potential value trap outperformed, contrary to longer-term expectations of underperformance from these groups of stocks. In contrast, Network Momentum models performed well.

Value lost was primarily from sector allocation. Underweight positioning toward Energy and Materials, in addition to stock selection in Materials, hurt benchmark-relative performance as both sectors rallied in reaction to geopolitical disruptions. Financials stock selection was also a headwind as the stocks we favored in Financial Services underperformed peers in the Banks and Insurance industries.

Stock selection added value in the first quarter, with notable strength in Industrials and Information Technology. Top contributors included out of benchmark names that GMO found to be attractively valued, including Valaris (Energy Equipment & Services), BorgWarner (Automobile Components), and Avnet (Electronic Equipment Instruments & Components).

Portfolio weights, as a percent of equity, for the positions mentioned were: Valaris (1.5%), BorgWarner (2.1%), and Avnet (1.0%).

Inception Date: 2-Jul-19

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) Smaller Company Risk: smaller companies may have limited product lines, markets, or financial resources, lack the competitive strength of larger companies, have less experienced managers or depend on a few key employees. The securities of companies with smaller market capitalizations often are less widely held and trade less frequently and in lesser quantities, and their market prices often fluctuate more, than the securities of companies with larger market capitalizations. 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: 0.48%; Gross Expense Ratio: 0.68% 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.

U.S. SMALL CAP VALUE FUND

Quarterly Investment Review

PRODUCT OVERVIEW

The GMO U.S. Small Cap Value Fund seeks to generate total return in excess of its benchmark, the S&P Small Cap 600 Value Index, by investing primarily in equities of U.S. companies that are included in the S&P 600 Index or whose market capitalization at the time of investment is less than that of companies in the bottom decile of market capitalization of the MSCI U.S. IMI 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 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.

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.

Benchmark(s): The S&P SmallCap 600 Value Index is an independently maintained and widely published index comprised of value stocks within the S&P SmallCap 600 index. The S&P SmallCap 600 seeks to measure the small-cap segment of the U.S. equity market. Value stocks are measured using three factors: the ratios of book value, earnings, and sales to price. S&P does not guarantee the accuracy, adequacy, completeness or availability of any data or information and is not responsible for any errors or omissions from the use of such data or information. Reproduction of the data or information in any form is prohibited except with the prior written permission of S&P or its third-party licensors.

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

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

www.GMO.com