

QUALITY

OVERVIEW

The GMO Quality Fund seeks to generate total return by investing primarily in equities the Focused Equity team believes to be of high quality.

The team believes that companies with established track records of historical profitability and strong fundamentals – high quality companies – are able to outgrow the average company over time and are therefore worth a premium price. The Fund's disciplined approach uses both quantitative and fundamental techniques to assess the relative quality and valuation of global companies and aims to exploit a long-term investment horizon while withstanding short-term volatility.

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

| | MTD | QTD | YTD | 2023 | 2022 | 2021 | 2020 | 2019 |
|-----------------|------|-------|-------|-------|--------|-------|-------|-------|
| Class III | 2.71 | 10.82 | 10.82 | 30.01 | -15.22 | 26.20 | 18.46 | 31.69 |
| Index | 3.22 | 10.56 | 10.56 | 26.29 | -18.11 | 28.71 | 18.40 | 31.49 |
| Alternate Index | 3.18 | 8.85 | 8.85 | 23.79 | -18.14 | 21.82 | 15.90 | 27.67 |

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

| | 1 Year | 3 Years | 5 Years | 10 Years | ITD |
|-----------------|--------|---------|---------|----------|-------|
| Class III | 32.59 | 13.04 | 16.25 | 14.37 | 10.28 |
| Index | 29.88 | 11.49 | 15.04 | 12.96 | 10.01 |
| Alternate Index | 25.07 | 8.59 | 12.06 | 9.39 | 8.04 |

STANDARDIZED SEC RETURNS (USD, NET OF FEES, %)(AS OF 31-MAR-24)

| | 1 Year | 3 Years | 5 Years | 10 Years | ITD |
|-----------------|--------|---------|---------|----------|-------|
| Class III | 32.59 | 13.04 | 16.25 | 14.37 | 10.28 |
| Index | 29.88 | 11.49 | 15.04 | 12.96 | 10.01 |
| Alternate Index | 25.07 | 8.59 | 12.06 | 9.39 | 8.04 |

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.** The portfolio is not managed relative to a benchmark. References to an index are for informational purposes only. The local market in which the Fund is priced was closed for Good Friday on March 29, 2024. Therefore, the performance for the fund and corresponding benchmark will utilize March 28 for purposes of the ending valuation for the March return and the starting valuation for the April return.

PORTFOLIO MANAGEMENT



Tom Hancock
Joined GMO in 1995
MS, Rensselaer
Polytechnic Institute;
PhD, Harvard University



Ty Cobb, CFA
Joined GMO in 1997
MS, Suffolk University



Anthony Hene, CFA
Joined GMO in 1995
MS, University of Oxford

FACTS

| | |
|-----------------------|-------------|
| Share Class | Class III |
| Share Class Ticker | GQETX |
| Share Class Inception | 6-Feb-04 |
| Fund Inception | 6-Feb-04 |
| Total Assets | \$9.8bn USD |
| Index | S&P 500 |
| Alternate Index | MSCI World |

RISK PROFILE (5-YEAR TRAILING)

| | |
|--------------------|-------|
| Alpha (Jensen's) | 2.55 |
| Beta | 0.90 |
| R Squared | 0.95 |
| Sharpe Ratio | 0.85 |
| Standard Deviation | 16.79 |

ANNUAL EXPENSES (%)

| | |
|---------------------|------|
| Net Expense Ratio | 0.50 |
| Gross Expense Ratio | 0.51 |

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.

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) Management and Operational Risk: The risk that GMO's investment techniques will fail to produce desired results. (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 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.

QUALITY

CHARACTERISTICS

| | <i>Portfolio</i> | <i>Index</i> | <i>Alternate Index</i> |
|--|------------------|--------------|------------------------|
| Price/Earnings - Forecast 1 Yr Wtd Mdn | 23.3x | 24.6x | 22.9x |
| Return on Equity - Forecast 1 Yr Wtd Mdn | 25.6% | 24.4% | 20.5% |
| Market Cap - Wtd Mdn Bil | 210.5 USD | 224.4 USD | 120.3 USD |
| Number of Equity Holdings | 41 | 499 | 1443 |
| Net Debt/EBITDA - Hist 1 Yr Wtd Mdn | 0.1x | 0.3x | 0.6x |

SECTORS (%)

| <i>Sector</i> | <i>Portfolio</i> | <i>Index</i> | <i>Alternate Index</i> |
|------------------------|------------------|--------------|------------------------|
| Communication Services | 8.2 | 9.0 | 7.4 |
| Consumer Discretionary | 10.1 | 10.3 | 10.7 |
| Consumer Staples | 10.5 | 6.0 | 6.5 |
| Energy | 0.0 | 3.9 | 4.5 |
| Financials | 7.5 | 13.2 | 15.4 |
| Health Care | 23.9 | 12.4 | 12.0 |
| Industrials | 7.0 | 8.8 | 11.2 |
| Information Technology | 32.8 | 29.6 | 23.7 |
| Materials | 0.0 | 2.4 | 3.9 |
| Real Estate | 0.0 | 2.3 | 2.3 |
| Utilities | 0.0 | 2.2 | 2.4 |

MARKET CAP BAND EXPOSURES (\$B)

| | <i>Portfolio</i> | <i>Index</i> | <i>Alternate Index</i> |
|--------------------------------|------------------|--------------|------------------------|
| Small (5.5 & Below) | 0.4 | 0.1 | 1.3 |
| Small - Medium (5.5 To 16.2) | 1.2 | 2.7 | 8.1 |
| Medium (16.2 To 41.9) | 3.6 | 10.8 | 15.5 |
| Medium - Large (41.9 To 115.9) | 16.9 | 21.0 | 24.8 |
| Large (115.9 & Above) | 77.9 | 65.4 | 50.3 |

TOP HOLDINGS

| <i>Company</i> | <i>Sector</i> | <i>%</i> |
|------------------------|------------------------|-------------|
| Microsoft Corp | Information Technology | 6.7 |
| Alphabet Inc | Communication Services | 4.1 |
| Meta Platforms Inc | Communication Services | 4.0 |
| UnitedHealth Group Inc | Health Care | 4.0 |
| Safran SA | Industrials | 3.6 |
| Apple Inc | Information Technology | 3.4 |
| SAP SE | Information Technology | 3.3 |
| Johnson & Johnson | Health Care | 3.2 |
| Amazon.com Inc | Consumer Discretionary | 3.1 |
| Lam Research Corp | Information Technology | 3.1 |
| Total | | 38.5 |

TOP COUNTRIES (%)

| <i>Country</i> | <i>Portfolio</i> | <i>Index</i> | <i>Alternate Index</i> |
|----------------|------------------|--------------|------------------------|
| United States | 75.4 | 100.0 | 70.9 |
| United Kingdom | 6.7 | 0.0 | 3.8 |
| France | 5.0 | 0.0 | 3.2 |
| Germany | 3.6 | 0.0 | 2.3 |
| Cash | 3.0 | 0.0 | 0.0 |
| Taiwan | 2.9 | 0.0 | 0.0 |
| Switzerland | 2.7 | 0.0 | 2.4 |
| Spain | 0.6 | 0.0 | 0.7 |
| Australia | 0.0 | 0.0 | 1.9 |
| Austria | 0.0 | 0.0 | 0.0 |

REGIONS (%)

| <i>Region</i> | <i>Portfolio</i> | <i>Index</i> | <i>Alternate Index</i> |
|------------------|------------------|--------------|------------------------|
| United States | 75.4 | 100.0 | 70.9 |
| Europe | 18.6 | 0.0 | 17.0 |
| Cash Equivalents | 3.0 | 0.0 | 0.0 |
| Rest of World | 2.9 | 0.0 | 12.1 |

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IMPORTANT INFORMATION

Index(es): The S&P 500 Index is an independently maintained and widely published index comprised of U.S. large capitalization stocks. 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 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.

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.

GLOSSARY

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.

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