

SGM MAJOR MARKETS FUND

Investment Review: Quarter Ending December 31, 2022

OVERVIEW

The GMO SGM Major Markets Fund seeks long-term total return by typically investing in a portfolio of long and short positions in a range of global equity, bond, currency, and commodity markets, primarily by using exchange-traded and over-the-counter futures, forward currency contracts, swaps on commodity indices and index options.

PERFORMANCE (%)

Net of Fees, Class B, USD	+7.58
Gross of Fees, Class III, Local Close, USD	+7.54
FTSE 3-Mo. TBill+++ ¹	+0.87
Value Added	+6.66

Major Performance Drivers

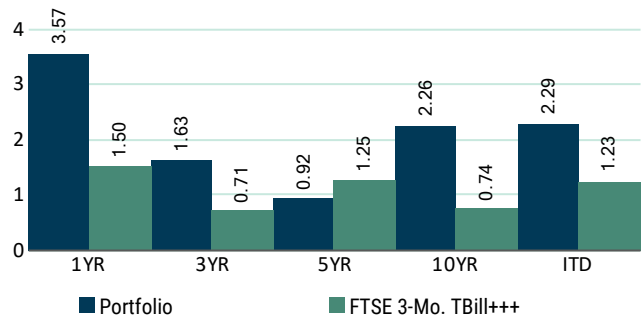
Equity markets finished the year with a positive quarter. Inflation seemed to be stabilizing, although it remains uncomfortably high, and central banks have continued to raise rates globally, exacerbating the situation for bond markets. For many assets, the quarter closed off what proved to be a challenging year for generating investment returns. Macro, as a sector, was one of the few that did well.

The portfolio posted a particularly strong return for the quarter, benefiting from a general recovery in equities with long positions in better-valued European and emerging countries contributing significantly to performance. Long positions in the yen and euro were well rewarded within currencies, reflecting in part, a pullback from an overextended U.S. dollar. Within commodities, positioning offset each other but long soybeans added the most value and drove a positive contribution to overall performance. Fixed income, held net short over the period, added minor value.

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 investors 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. Gross Expense Ratio of 1.10% is equal to the Funds Total Annual Operating Expenses set forth in the Funds most recent prospectus dated June 30, 2022.

Effective October 3, 2011, the fund implemented a new investment strategy and performance from periods prior to that date represents a different investment strategy than the one that the fund is currently pursuing.

ANNUALIZED RETURN (%) AS OF 12/31/2022



Inception date: 04/11/2005
Includes purchase premiums and redemption fees impact if applicable.

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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 fund's prospectus. To obtain a prospectus please visit www.gmo.com. Read the prospectus carefully before investing.

Risks associated with investing in the Fund may include Management and Operational Risk, Leveraging Risk, Derivatives and Short Sales Risk Market Risk-Equities and Credit Risk. For a more complete discussion of these risks and others, please consult the Fund's prospectus. The GMO Trust funds are distributed in the United States by Funds Distributor LLC. GMO and Funds Distributor LLC are not affiliated.

¹ The FTSE 3-Month Treasury Bill +++ Index is an internally maintained benchmark computed by GMO, comprised of (i) 50% J.P. Morgan U.S. 3 Month Cash Index and 50% Bloomberg Commodity Total Return Index through 10/31/2011 and (ii) FTSE 3-Month Treasury Bill Index thereafter.