

QUARTERLY INVESTMENT REVIEW

Global Asset Allocation Fund

Performance returns (USD)

ANNUALIZED RETURNS (QUARTER-END)	Quarter-End	YTD	1-Year	3-Year	5-Year	10-Year	Since Inception
Global Asset Allocation Fund (net)	3.73	3.73	15.15	2.47	5.55	4.28	0.00
Global Asset Allocation Fund (gross)	3.88	3.88	15.80	3.05	6.14	4.83	-
GMO Global Asset Allocation Index	4.98	4.98	15.32	3.73	7.39	6.34	0.00
Value Add	-1.24	-1.24	-0.18	-1.26	-1.85	-2.06	0.00

Major Performance Drivers

- Top-down asset allocation was negative for the quarter. This was due primarily to the regional allocation within equities.
- Security selection was broadly flat for the quarter.

Equities represented an average of 63.6% of the portfolio during the quarter, including 7.1% in Emerging Markets, 7.1% in Emerging Markets ex-China, 13.1% in Developed ex-U.S., 3.1% in Quality, 5.1% in U.S., 2.0% in U.S. Small Cap Value, 3.0% in U.S. Small Cap Quality, 3.1% in Quality Cyclical, 7.1% in U.S. Opportunistic Value, 4.1% in Japan Value, 6.9% in International Opportunistic Value, and 1.9% in Resources equity.

The equity portfolio returned 6.2% for the quarter, trailing the MSCI ACWI return of 8.1%. The regional positioning proved detrimental as the U.S. beat Developed ex-U.S., while Emerging Markets lagged Developed Markets. Security selection was essentially flat for the quarter, a good result as Value lagged Growth in both Developed and Emerging Markets. The Emerging Market portfolio returned 2.2%, which was 10 bps ahead of the MSCI Emerging Market index, and Emerging Markets ex-China returned 2.3%, which was 140 bps behind the MSCI Emerging Markets ex-China index return of 3.7%. In Developed ex-U.S. markets, the portfolio posted 7.4% which was 190 bps ahead of the MSCI World ex-U.S. index, but International Opportunistic Value underperformed by 120 bps. In the U.S., the broad U.S. portfolio return of 12.3% beat the S&P Composite 1500 by 200 bps while U.S. Opportunistic Value outperformed by a smaller 20 bps, and Quality outperformed the S&P 500 by 40 bps. Quality Cyclical underperformed, while U.S. Small Value and U.S. Small Quality portfolios both outperformed strongly. The Japan Value portfolio returned 6.8%, behind the TOPIX by 240 bps. Being very slightly underweight to equities had a marginal negative impact on relative performance.

Alternatives represented 12.6% on average through the quarter, all invested in the Alternative Allocation strategy. The Alternative Allocation strategy posted a return of 0.6% for the quarter, unable to keep pace with soaring equities but beating the negative return from bonds, as measured by the Bloomberg U.S. Aggregate. Within the Alternative Allocation strategy, Equity Dislocation was the biggest contributor, while both the Asset Allocation Long/Short strategy and put selling were also additive. The credit positions had no material impact, while Event-Driven, hampered by political push back on the takeover of U.S. Steel by Japan's Nippon Steel, and Fixed Income Absolute Return were both down slightly, detracting modestly. That left Systematic Global Macro as the biggest detractor for the quarter, with a relatively small short position in Cocoa being the culprit as the price absolutely skyrocketed.

Fixed income represented 23.6% on average through the quarter, including 3.0% in asset-backed securities, 3.0% in emerging country debt, 11.8% in the Multi-Sector Fixed Income strategy, and 5.8% in U.S. Treasury notes. Our fixed income strategies returned -0.7% for the quarter, in line with the Bloomberg U.S. Aggregate index return of -0.8%. Asset-backed securities were up nicely with a return of 1.5%, while Multi-Sector Fixed Income had a more challenging time at -0.4% and the U.S. Nominal Treasuries struggled, delivering -5.5%. The U.S. 10-year nominal yield finished the quarter a significant 32 bps higher than where it started, at 4.2%. Our emerging country debt portfolio returned 5.6%, which was nicely ahead of the EMBI Global Diversified Index return of 2.0%. Our underweight to fixed income had a positive impact on performance against the asset allocation benchmark.

Inception Date: 28-Jun-96

Performance for the year of inception is less than a full calendar year. Returns shown for periods less than one year are not annualized.

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) 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. 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.

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 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. If certain expenses were not reimbursed, performance would be lower. Transaction costs, if any, are paid to the fund to offset the cost of portfolio transactions to invest or raise cash. **Net Expense Ratio: 0.68%; Gross Expense Ratio: 0.73% 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.**

Performance information prior to June 30, 2002, was achieved prior to a change in the Funds principal investment strategies. From its inception until June 28, 2002, the GMO Global Asset Allocation Fund was named the GMO World Equity Allocation Fund and was benchmarked against the MSCI All Country World Index, primarily investing in equities. On June 28, 2002, the Fund changed principal investment strategies.

QUARTERLY INVESTMENT REVIEW

PRODUCT OVERVIEW

The Fund seeks to achieve a total return greater than that of its benchmark of 65% MSCI All Country World Index and 35% Bloomberg U.S. Aggregate Index, over a complete market cycle, by allocating dynamically across asset classes.

The philosophy that underlies all of GMO's Asset Allocation investment strategies is the belief that, at times and in the short term, the pricing of asset classes can deviate from true intrinsic value, but mean reverts to appropriate valuation levels over the long term. GMO's proprietary 7-Year Asset Class Forecasts form the foundation of our investment process, providing a framework to assess the return opportunity embedded in different asset classes.

IMPORTANT INFORMATION

Benchmark(s): The GMO Global Asset Allocation Index is an internally maintained benchmark computed by GMO, comprised of (i) the MSCI ACWI (All Country World) Index (MSCI Standard Index Series, net of withholding tax) through 6/28/2002 and (ii) the GMO Global Asset Allocation (Blend) Index thereafter. 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.

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

**Representative Office