

QUARTERLY INVESTMENT REVIEW

Alternative Allocation Fund

Performance returns (USD)

ANNUALIZED RETURNS (QUARTER-END)	Quarter-End	YTD	1-Year	3-Year	5-Year	10-Year	Since Inception
Alternative Allocation Fund (net)	-1.37	-0.56	0.19	2.70	0.99	-	1.13
Alternative Allocation Fund (gross)	-1.16	0.06	1.03	3.55	1.83	-	1.97
FTSE 3-Mo. TBill	1.37	4.17	5.63	3.63	2.38	-	2.38
Value Add	-2.74	-4.73	-5.44	-0.94	-1.39	-	-1.25

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.** The portfolio is not managed relative to a benchmark. References to an index are for informational purposes only.

MAJOR PERFORMANCE DRIVERS

The Alternative Allocation portfolio had a negative return for the third quarter of 2024.

Over the course of the quarter, the total capital at work was increased by about 17 percentage points as we introduced a new Emerging FX exposure. At the end of September 2024, the portfolio was allocated broadly with 27% in Systematic Global Macro, 28% in Event-Driven, 40% in Equity Dislocation, 6% in Relative Value Credit, 12% in Fixed Income Diversified Alpha, 13% in Asset Allocation Long/Short, 8% in Put Selling, and 14% in Emerging FX.

Systematic Global Macro was the biggest detractor for the quarter. It detracted 1.6% from total returns as the environment continued to prove challenging for its commodity positioning. Equity Dislocation was the second biggest detractor, subtracting 1.3% from total performance, which was an unfortunate result given that MSCI ACWI Value beat MSCI ACWI Growth, although the strategy remains well ahead of the naïve approach for the year-to-date and longer time periods. Relative Value Credit had a small negative impact for the quarter, while Fixed Income Diversified Alpha and Put Selling had small positive impacts. Asset Allocation Long/Short was the best performer for the quarter, up 3.6%, and it added 50 bps to total performance reflecting its moderate position size. That left Event-Driven, posting a 3.2% return, as the biggest total contributor with a positive impact of 1.0% at the strategy level.

Inception Date: 1-May-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) Management and Operational Risk: The risk that GMO's investment techniques will fail to produce desired results, including annualized returns and annualized volatility. (2) Derivatives and Short Sales Risk: The use of derivatives involves the risk that their value may not change as expected relative to changes in the value of the underlying assets, pools of assets, rates, currencies or indices. Derivatives also present other risks, including market risk, illiquidity risk, currency risk, credit risk, and counterparty risk. (3) Leveraging Risk: The use derivatives and securities lending creates leverage. Leverage increases the Funds losses when the value of its investments (including derivatives) declines. For a more complete discussion of these risks and others, 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: 1.69%; Gross Expense Ratio: 2.03% Net Expense Ratio reflects the reduction of expenses from fee reimbursements. The fee reimbursements will continue until at least June 30, 2025. Elimination of this reimbursement will result in higher fees and lower performance. The adjusted expense ratios, which reflects the net and gross expense ratios excluding dividend and interest expense on short sales, are as follows: Net Expense Ratio: 0.84 and Gross Expense Ratio: 1.18. Dividends paid on borrowed securities are an expense of short sales. Such expenses are required to be treated as a Fund expense for accounting purposes and are not payable to GMO. The Fund also receives income in connection with short sales, which is reflected in the Fund's net income but is not reflected as an offset to dividend expenses on short sales in the Fund's annual fund operating expenses table. Any interest expense amount or dividends paid on securities sold short will vary based on the extent of Fund's use of those investments. Gross Expense Ratio is equal to the Funds Total Annual Operating Expenses set forth in the Funds most recent prospectus dated June 30, 2024.

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PRODUCT OVERVIEW

The GMO Alternative Allocation Fund seeks to generate positive total return by investing in a diversified portfolio of underlying alternative strategies, all run by GMO teams. Underlying strategies will include but are not be limited to: merger arbitrage/event-driven, global macro, fixed income absolute return, asset allocation long/short, and market neutral equities, high yield, and systematic put writing strategies.

IMPORTANT INFORMATION

Comparator Index(es): The FTSE 3-Month Treasury Bill Index is an independently maintained and widely published index comprised of short-term U.S. Treasury bills.

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.

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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

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