

# QUARTERLY INVESTMENT REVIEW

## International Opportunistic Value Fund

### Performance returns (USD)

ANNUALIZED RETURNS (QUARTER-END)	Quarter-End	YTD	1-Year	3-Year	5-Year	10-Year	Since Inception
International Opportunistic Value Fund (net)	4.16	4.16	15.45	4.87	8.13	3.35	5.98
International Opportunistic Value Fund (gross)	4.33	4.33	16.24	5.58	8.92	4.09	6.71
MSCI World ex USA	5.49	5.49	15.18	4.90	7.46	4.80	4.79
Value Add vs. MSCI World ex USA	-1.33	-1.33	+0.28	-0.03	+0.68	-1.44	+1.19
MSCI World Ex USA Value	4.05	4.05	16.72	6.74	6.58	3.59	0.00
Value Add vs. MSCI World Ex USA Value	+0.10	+0.10	-1.26	-1.87	+1.55	-0.24	+5.98

### Major Performance Drivers

Global markets carried the positive performance seen at the end 2023 into 2024, despite heightened geopolitical tensions in the Middle East, rising oil prices, and sticky inflation. The U.S. posted the strongest returns, followed by Developed Markets outside the U.S. and Emerging Markets. Many Developed Markets posted double-digit returns, including Japanese equities where exporters benefited from the yen reaching multi-decade lows. Again, China was a notable exception to the global positivity as a mix of financial and policy challenges continues to weigh on sentiment for the country and its potential to contribute to global growth.

Within the MSCI World ex-USA universe, Value underperformed. In this environment the stocks we identified as the most expensive were the best performers, leading to underperformance of our Deep Value portfolio.

Our Deep Value stock selection faced the greatest challenges in the Netherlands and France. Overweight positioning toward Australia Materials and underweight positioning toward Denmark Health Care also detracted from performance.

While the overall picture was challenging, our Deep Value stock selection added value in Italy, the U.K., Consumer Staples, and Spain Financials. Allocation decisions also added value on the margin, including underweight positioning toward Utilities and Consumer Staples.

Inception Date: 29-Jul-98

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) 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. (3) Management and Operational Risk: The risk that GMO's investment techniques will fail to produce desired results. (4) Currency Risk: Fluctuations in exchange rates can adversely affect the market value of the Fund's foreign currency holdings and investments denominated in foreign currencies. 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](http://www.gmo.com).

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: 0.69%; Gross Expense Ratio: 1.38% 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 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 performance information for all periods prior to May 15, 2023, was achieved prior to the change in the Fund's investment objective and principal investment strategies. In addition, the Fund's benchmark has changed from MSCI EAFE Index to MSCI World ex-USA. 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.

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## PRODUCT OVERVIEW

The GMO International Opportunistic Value Fund seeks to generate total return by investing primarily in international equities. The Fund's benchmark is the MSCI World ex-U.S.A. Index.

The Fund aims to profit from our Asset Allocation team's current insight that developed, non-U.S. "deep value" (cheapest 20%) stocks are unusually cheap relative to their own history. This actively managed Fund concentrates exposure in the deep value segment by focusing on the international stocks that GMO's Systematic Equity team identifies as the most undervalued, using proprietary valuation models because we believe that relying on reported financials and index definitions of value may lead investors to misjudge the opportunity.

## IMPORTANT INFORMATION

**Comparator Index(es):** The MSCI World ex-USA Index (MSCI Standard Index Series, net of withholding tax) is an independently maintained and widely published index comprised of global developed markets, excluding the United States. 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](http://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.

AMSTERDAM

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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