

BENCHMARK-FREE ALLOCATION

OVERVIEW

The Fund seeks to generate positive total return by allocating dynamically across asset classes, free from the constraints of traditional benchmarks. Over a complete market cycle, the Fund seeks annualized returns of 5% (net of fees) above the Consumer Price Index and annualized volatility (standard deviation) of 5-10%.

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. We use that insight to allocate to what we believe are the most attractively priced asset classes.

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

	MTD	QTD	YTD	2023	2022	2021	2020	2019
Class III	2.69	3.05	3.05	13.40	-2.26	2.96	-2.49	11.62
Index	0.00	0.71	0.71	3.60	6.40	7.04	1.27	2.28

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

	1 Year	3 Years	5 Years	10 Years	ITD
Class III	13.89	3.85	3.94	3.08	6.99
Index	3.06	5.51	4.12	2.82	2.58

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

	1 Year	3 Years	5 Years	10 Years	ITD
Class III	13.89	3.85	3.94	3.08	6.99
Index	3.06	5.51	4.12	2.82	2.58

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. Prior to January 1, 2012, BFAF served as the principal component of a broader GMO real return strategy. Beginning on January 1, 2012, BFAF has been managed as a standalone investment. 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



Ben Inker, CFA
Joined GMO in 1992
BA, Yale University



John Thorndike
Joined GMO in 2015
AB, Bowdoin College

FACTS

Share Class	Class III
Share Class Ticker	GBMFX
Share Class Inception	23-Jul-03
Fund Inception	23-Jul-03
Total Assets	\$2.7bn USD
Index	CPI Index

RISK PROFILE (5-YEAR TRAILING)

Sharpe Ratio	0.19
Standard Deviation	10.08
Max Port. Drawdown (31-Dec-19 - 31-Mar-20)	-16.05

ANNUAL EXPENSES (%)

Net Expense Ratio	1.16
Gross Expense Ratio	1.24

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 those as follows. (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) Market Risk - Equities: The market price of equities may decline due to factors affecting the issuer, its industries, 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. (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.

BENCHMARK-FREE ALLOCATION

PORTFOLIO ALLOCATIONS (%)

<i>Asset Class</i>	<i>Exposure</i>
EQUITY	53.5
International Opportunistic Value	9.2
Japan Value	5.8
Developed ex-US	5.1
US Opportunistic Value	5.2
Quality Cyclicals	4.1
Resources	4.2
Developed ex-US Small Cap Value	5.1
Emerging Markets	7.9
Emerging ex-China	6.9
ALTERNATIVE STRATEGIES	32.6
Equity Dislocation	20.0
Event Driven	3.9
Systematic Global Macro	6.7
Fixed Income Absolute Return	2.0
FIXED INCOME	13.9
High Yield	1.0
ABS/Structured Products	3.9
10yr US Treasury Notes	6.0
Emerging Debt	3.0

EQUITY CHARACTERISTICS

	<i>Portfolio</i>
Price/Earnings - Hist 1 Yr Wtd Mdn	12.9x
Price/Book - Hist 1 Yr Wtd Avg	1.2x
Return on Equity - Hist 1 Yr Mdn	12.9%
Market Cap - Wtd Mdn Bil	12.9 USD

FIXED INCOME CHARACTERISTICS

	<i>Portfolio</i>
Effective Duration	1.4

FIXED INCOME CREDIT RATINGS (%)

	<i>%</i>
AAA	30.4
AA	39.0
A	1.0
BBB	4.6
BB	6.4
B	7.6
CCC	4.3
CC	2.0
C	1.0
D	2.0
NR	1.7

EQUITY SECTORS (%)

<i>Sector</i>	<i>Portfolio</i>
Communication Services	4.3
Consumer Discretionary	11.4
Consumer Staples	6.4
Energy	11.7
Financials	23.0
Health Care	6.2
Industrials	13.7
Information Technology	12.4
Materials	8.6
Real Estate	1.2
Utilities	1.1

EQUITY REGIONS (%)

<i>Region</i>	<i>Portfolio</i>
Emerging	29.7
Europe ex UK (Developed)	19.9
Japan	19.4
United States	16.8
Other International	8.2
United Kingdom	6.0

EQUITY TOP COUNTRIES (%)

<i>Country</i>	<i>Portfolio</i>
Japan	19.4
United States	16.8
Taiwan	6.3
United Kingdom	6.0
France	4.6
Canada	4.5
India	4.2
China	3.5
South Korea	3.3
Brazil	3.2

BENCHMARK-FREE ALLOCATION

IMPORTANT INFORMATION

Index(es): The CPI (Consumer Price Index) for All Urban Consumers US All Items is published monthly by the U.S. government as an indicator of changes in price levels (or inflation) paid by urban consumers for a representative basket of goods and services.

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

Equity Characteristics: Based on equity holdings.

Country Exposures: Based on equity holdings. This portfolio continues to hold de minimis Russian exposure as a result of past positioning and ongoing illiquidity. GMO has suspended net new purchases of Russian securities firm-wide.

Credit Ratings: The credit ratings above may encompass emerging debt, developed rates, and asset-backed exposure. Ratings for core portfolio holdings are derived by using the middle rating from Standard & Poor's, Moody's, and Fitch. Ratings for core holdings were adjusted during the January 2021 reporting period to conform with index provider methodology. Ratings for the emerging debt portion of the portfolio are derived by applying the Standard and Poor's or Moody's issue-level ratings (sequentially), and the S&P LT Foreign currency (FC) country issuer rating for the FC debt securities and/or S&P LT Local currency (LC) country issuer rating for LC securities where a security is not rated by either of the abovementioned credit rating agencies. Final credit ratings are expressed based upon Standard and Poor's ratings scale. Standard & Poor's rates securities from AAA (highest quality) to C (lowest quality), and D to indicate securities in default; some securities are not rated (NR). BB and below are considered below investment grade securities. Please refer to our website for additional information: <https://www.gmo.com/americas/benchmark-disclaimers/>

Currency Exposures: Currency weights are based on equity and currency overlay holdings, as applicable. This portfolio continues to hold de minimis Russian exposure as a result of past positioning and ongoing illiquidity. GMO has suspended net new purchases of Russian securities firm-wide.

Portfolio Allocations: Weightings are as of the date indicated and are subject to change. The groups indicated above represent exposures determined pursuant to proprietary methodologies and are subject to change over time. Totals may vary due to rounding.

Region Exposures: Based on equity holdings.

Risk Statistics: Risk profile data is net of fees. 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. Drawdown is based on the portfolio's worst performance over the period based on monthly observations.

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. Based on equity holdings.

Top Holdings: Based on equity holdings. Holdings are subject to change and should not be considered a recommendation to buy individual securities. This portfolio continues to hold de minimis Russian exposure as a result of past positioning and ongoing illiquidity. GMO has suspended net new purchases of Russian securities firm-wide.

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

www.GMO.com