

GMO Trust
Annual Report
February 29, 2020

Asset Allocation Bond Fund
Core Plus Bond Fund
Emerging Country Debt Fund
High Yield Fund
Opportunistic Income Fund
U.S. Treasury Fund

Beginning on January 1, 2021, as permitted by regulations adopted by the Securities and Exchange Commission, GMO expects that paper copies of each Fund's annual and semiannual reports to shareholders will no longer be sent by mail, unless you specifically request paper copies of the reports by writing or calling GMO Shareholder Services at the address or phone number below or by contacting your financial intermediary, such as a broker or agent. Instead, reports will be available on a website, and you will be notified by mail each time a report is posted and provided with a website link to access the report.

If you already elected to receive shareholder reports electronically, you will not be affected by this change and you need not take any action. If you are a direct investor, you may elect to receive shareholder reports and other communications from the Fund electronically by contacting GMO Shareholder Services or if you own your shares through a financial intermediary, you may contact your financial intermediary.

Beginning January 1, 2019, you may elect to receive all future reports in paper free of charge. If you invest through a financial intermediary, you can contact your financial intermediary to request to continue to receive paper copies of your shareholder reports or you can follow instructions included with this disclosure. If you invest directly with the Fund, you can contact GMO Shareholder Services at the address or phone number below. Your election to receive reports in paper will apply to all Funds held directly with the Trust.

Shareholder Services at
Grantham, Mayo, Van Otterloo & Co. LLC
40 Rowes Wharf, Boston, Massachusetts 02110
1-617-346-7646 (collect)

For a free copy of the Funds' proxy voting guidelines, shareholders may call 1-617-346-7646 (collect), visit GMO's website at www.gmo.com or visit the Securities and Exchange Commission's website at www.sec.gov. Information regarding how the Funds voted proxies relating to portfolio securities during the most recent 12-month period ended June 30 will be available without charge on GMO's website at www.gmo.com and on the Securities and Exchange Commission's website at www.sec.gov no later than August 31 of each year.

The Funds file their complete schedule of portfolio holdings with the Securities and Exchange Commission for the first and third quarter of each fiscal year on Form N-PORT which is available on the Commission's website at www.sec.gov. The Funds have a policy with respect to disclosure of portfolio holdings under which they may also make a complete schedule of portfolio holdings available on GMO's website at www.gmo.com.

This report is prepared for the general information of shareholders. It is authorized for distribution to prospective investors only when preceded or accompanied by a prospectus for the GMO Trust, which contains a complete discussion of the risks associated with an investment in these Funds and other important information. The GMO Trust prospectus can be obtained at www.gmo.com. The GMO Trust Statement of Additional Information includes additional information about the Trustees of GMO Trust and is available without charge, upon request, by calling 1-617-346-7646 (collect).

An investment in the Funds is subject to risk, including the possible loss of principal amount invested. There can be no assurance that the Funds will achieve their stated investment objectives. Please see the Funds' prospectus regarding specific principal risks for each Fund. General risks may include: market risk-fixed income investments, management and operational risk, market risk-asset backed securities, credit risk and derivatives risk.

The Funds are distributed by Funds Distributor LLC. Funds Distributor LLC is not affiliated with GMO.

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Asset Allocation Bond Fund **(A Series of GMO Trust)**

Portfolio Management

Day-to-day management of the Fund's portfolio is the responsibility of the Developed Rates & FX team and the Asset Allocation team at Grantham, Mayo, Van Otterloo & Co. LLC.

Management Discussion and Analysis of Fund Performance

Class III shares of GMO Asset Allocation Bond Fund returned +9.74% (net) for the fiscal year ended February 29, 2020, as compared with +2.12% for the FTSE 3-Month Treasury Bill Index.

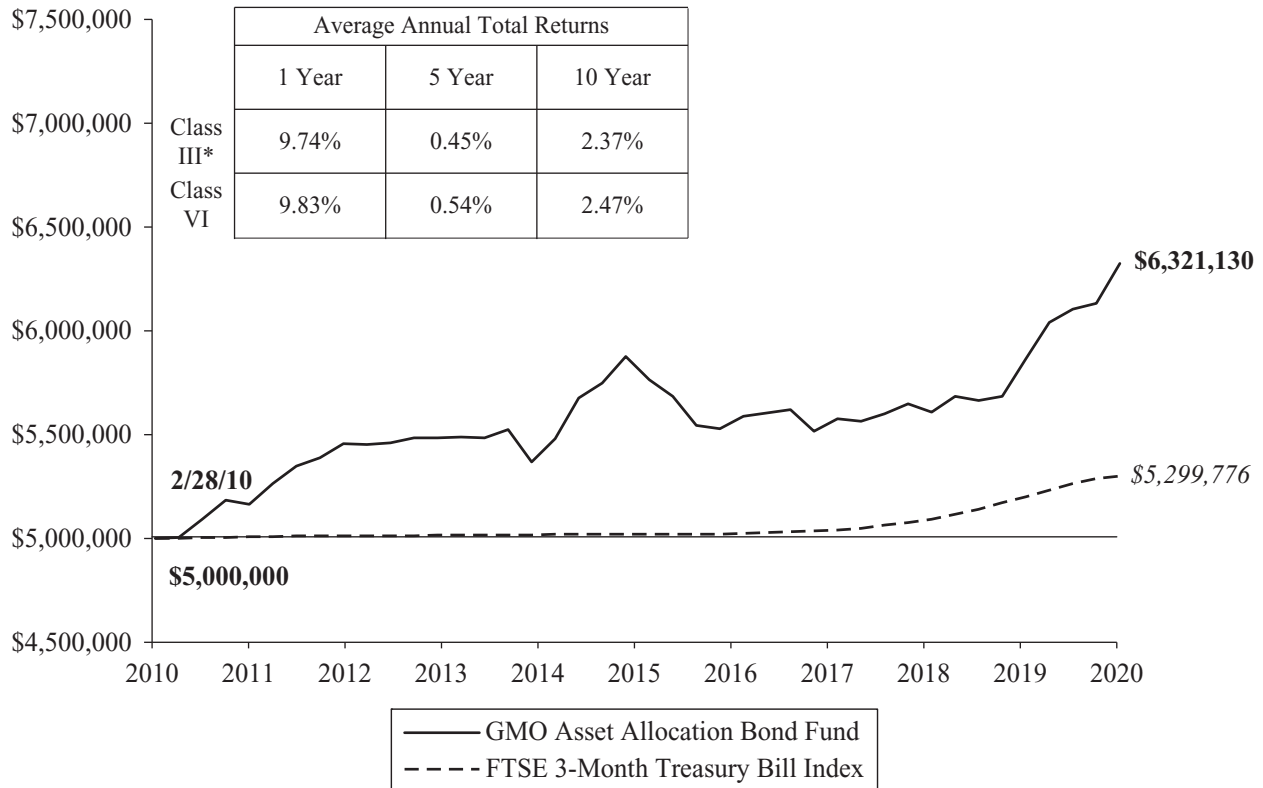
The Fund's position in Treasury Inflation-Protected Securities drove the vast majority of gains during the fiscal year, as real 10-year yields plummeted from 0.78% at the start of the period to -0.28% at the end of the period.

Developed market interest rate positioning and emerging market currency positioning resulted in modest net positive contributions to performance. The Fund's positions in developed market currencies had a negligible negative impact on performance for the fiscal year.

The views expressed herein are exclusively those of Grantham, Mayo, Van Otterloo & Co. LLC as of the date of this report and are subject to change. GMO disclaims any responsibility to update such views. They are not meant as investment advice. References to specific securities are not recommendations of such securities and may not be representative of any GMO portfolio's current or future investments. All information is unaudited

GMO Asset Allocation Bond Fund
(A Series of GMO Trust)

**Comparison of Change in Value of a \$5,000,000 Investment in
GMO Asset Allocation Bond Fund Class III Shares and the FTSE 3-Month Treasury Bill Index
As of February 29, 2020**



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 up to the most recent month-end, visit www.gmo.com. Performance shown is net of all fees after reimbursement from GMO. Returns would have been lower had certain expenses not been reimbursed during the periods shown and do not include the effect of taxes on distributions and redemptions. The performance information shown above only includes purchase premiums and/or redemption fees in effect as of February 29, 2020. All information is unaudited. Performance for classes may vary due to different fees.

* For the period from March 18, 2009 to March 27, 2009, no Class III shares were outstanding. Performance for that period is that of Class VI, which has lower expenses. Therefore, the performance shown is higher than it would have been if Class III expenses had been applied throughout.

GMO Asset Allocation Bond Fund
(A Series of GMO Trust)
Investment Concentration Summary
February 29, 2020 (Unaudited)

| <u>Asset Class Summary</u> ^{&} | <u>% of Total Net Assets</u> |
|---|------------------------------|
| Debt Obligations | 95.9% |
| Mutual Funds | 3.7 |
| Short-Term Investments | 0.2 |
| Other | 0.2 |
| | <u>100.0%</u> |

& In the table, derivative financial instruments, if any, are based on market values, rather than the notional amounts of derivatives, except for forward currency contracts which are based on unrealized appreciation/(depreciation).

GMO Asset Allocation Bond Fund
(A Series of GMO Trust)
Schedule of Investments
(showing percentage of total net assets)
February 29, 2020

| Par Value†/ Shares | Description | Value (\$) | Par Value†/ Shares | Description | Value (\$) |
|-------------------------------|---|--------------------|-------------------------------|--|-----------------------------|
| | DEBT OBLIGATIONS — 95.9% | | | MUTUAL FUNDS — 3.7% | |
| | U.S. Government — 95.9% | | | United States — 3.7% | |
| 4,161,983 | U.S. Treasury Inflation Indexed Bond, 0.25%, due 01/15/25 ^(a) | 4,287,071 | 1,724,378 | Affiliated Issuers — 3.7% GMO U.S. Treasury Fund | <u>8,656,379</u> |
| 12,879,173 | U.S. Treasury Inflation Indexed Bond, 0.63%, due 01/15/26 ^(a) | 13,597,588 | | TOTAL MUTUAL FUNDS (COST \$8,636,537) | <u>8,656,379</u> |
| 30,942,077 | U.S. Treasury Inflation Indexed Bond, 0.38%, due 01/15/27 ^(a) | 32,365,505 | | SHORT-TERM INVESTMENTS — 0.2% | |
| 29,962,743 | U.S. Treasury Inflation Indexed Bond, 0.50%, due 01/15/28 ^(a) | 31,783,279 | | Money Market Funds — 0.2% | |
| 44,121,213 | U.S. Treasury Inflation Indexed Bond, 1.75%, due 01/15/28 ^(a) | 51,092,002 | 416,342 | State Street Institutional Treasury Money Market Fund-Premier Class, 1.50% ^(b) | <u>416,342</u> |
| 14,081,956 | U.S. Treasury Inflation Indexed Bond, 0.75%, due 07/15/28 ^(a) | 15,343,765 | | TOTAL SHORT-TERM INVESTMENTS (COST \$416,342) | <u>416,342</u> |
| 20,084,081 | U.S. Treasury Inflation Indexed Bond, 0.88%, due 01/15/29 ^(a) | 22,115,871 | | TOTAL INVESTMENTS — 99.8% (Cost \$218,727,659) | <u>233,091,360</u> |
| 42,882,769 | U.S. Treasury Inflation Indexed Bond, 2.50%, due 01/15/29 ^(a) | <u>53,433,558</u> | | Other Assets and Liabilities (net) — 0.2% | <u>442,479</u> |
| | Total U.S. Government | <u>224,018,639</u> | | TOTAL NET ASSETS — 100.0% | <u><u>\$233,533,839</u></u> |
| | TOTAL DEBT OBLIGATIONS (COST \$209,674,780) | <u>224,018,639</u> | | | |

Notes to Schedule of Investments:

† Denominated in U.S. Dollar, unless otherwise indicated.

(a) Indexed security in which price and/or coupon is linked to the price of a specific instrument or financial statistic (Note 2).

(b) The rate disclosed is the 7 day net yield as of February 29, 2020.

For a listing of definitions of acronyms, counterparty abbreviations and currency abbreviations used throughout the Schedule of Investments as well as the derivative tables, if any, please refer to page 56.

GMO Core Plus Bond Fund **(A Series of GMO Trust)**

Portfolio Management

Day-to-day management of the Fund's portfolio is the responsibility of the Developed Rates & FX team at Grantham, Mayo, Van Otterloo & Co. LLC.

Management Discussion and Analysis of Fund Performance

Class III shares of GMO Core Plus Bond Fund returned +12.38% (net) for the fiscal year ended February 29, 2020, as compared with +11.68% for the Bloomberg Barclays U.S. Aggregate Index.

The Fund's investment exposure was achieved through global interest rate and currency derivatives, as well as indirect (through ETFs and other GMO Funds, including GMO Opportunistic Income Fund, GMO Emerging Country Debt Fund, and GMO U.S. Treasury Fund) and direct fixed income investments.

Developed markets interest rate positioning contributed positively during the fiscal year. The Fund's active duration positions in New Zealand, Canada, and the U.S. added value, while positions in Australia and the U.K. underperformed.

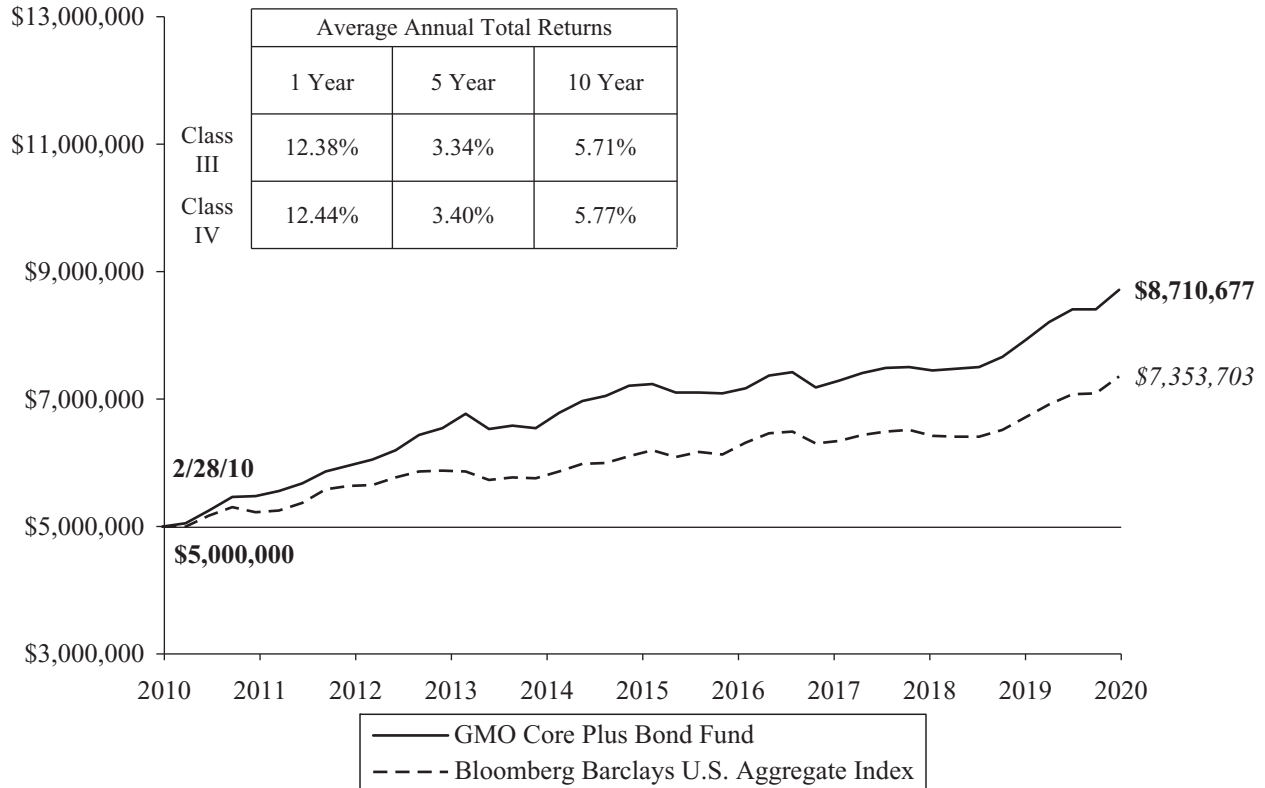
The Fund's positions in developed market currencies detracted during the fiscal year. Exposure to the Norwegian krone and Swedish krona detracted from performance, but exposure to the Australian dollar and British pound sterling paired losses. Exposure to emerging market currencies resulted in a net positive contribution to performance. Positioning in the Chilean peso and Hungarian forint drove gains.

The Fund's overweight positioning to securitized products and emerging country debt also added value during the year.

The views expressed herein are exclusively those of Grantham, Mayo, Van Otterloo & Co. LLC as of the date of this report and are subject to change. GMO disclaims any responsibility to update such views. They are not meant as investment advice. References to specific securities are not recommendations of such securities and may not be representative of any GMO portfolio's current or future investments. All information is unaudited.

GMO Core Plus Bond Fund
 (A Series of GMO Trust)

**Comparison of Change in Value of a \$5,000,000 Investment in
 GMO Core Plus Bond Fund Class III Shares and the Bloomberg Barclays U.S. Aggregate Index
 As of February 29, 2020**



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 up to the most recent month-end, visit www.gmo.com. Performance shown is net of all fees after reimbursement from GMO. Returns would have been lower had certain expenses not been reimbursed during the periods shown and do not include the effect of taxes on distributions and redemptions. The performance information shown above only includes purchase premiums and/or redemption fees in effect as of February 29, 2020. All information is unaudited. Performance for classes may vary due to different fees.

GMO Core Plus Bond Fund
(A Series of GMO Trust)
Investment Concentration Summary
February 29, 2020 (Unaudited)

| Asset Class Summary† | % of Total Net Assets |
|---------------------------------------|------------------------------|
| Debt Obligations | 65.7% |
| Short-Term Investments | 24.3 |
| Investment Funds | 22.7 |
| Swap Contracts | 1.1 |
| Mutual Funds | 1.1 |
| Futures Contracts | 0.4 |
| Loan Participations | 0.1 |
| Purchased Options | 0.0 [^] |
| Rights/Warrants | 0.0 [^] |
| Loan Assignments | 0.0 [^] |
| Written Options/Credit Linked Options | (0.0) [^] |
| Forward Currency Contracts | (0.2) |
| Other | (15.2) |
| | 100.0% |

| Country/Region Summary‡ | % of Investments |
|--------------------------------|-------------------------|
| United States | 76.1% |
| Canada | 15.5 |
| Switzerland | 14.4 |
| New Zealand | 9.9 |
| Other Emerging | 5.2* |
| Sweden | 2.3 |
| Japan | 0.2 |
| Euro Region | (0.9)§ |
| United Kingdom | (6.8) |
| Australia | (15.9) |
| | 100.0% |

† The table incorporates aggregate indirect asset class exposure associated with investments in other funds of GMO Trust (“underlying funds”). Derivative financial instruments, if any, are based on market values, rather than the notional amounts of derivatives, except for forward currency contracts which are based on unrealized appreciation/(depreciation).

‡ The table incorporates aggregate indirect country exposure associated with investments in the underlying funds. The table is normalized to 100%, therefore the absolute exposure presented for each country may not be representative of the true exposure of the Fund. The table excludes short-term investments. The table includes exposure through the use of certain derivative financial instruments and excludes exposure through certain currency linked derivatives such as forward currency contracts and currency options. The table is based on duration adjusted net exposures (both investments and derivatives), taking into account the market value of securities and the notional amounts of swaps and other derivative financial instruments. For example, U.S. asset-backed securities may represent a relatively small percentage due to their short duration, even though they represent a large percentage of market value (direct and indirect). Duration is based on GMO’s models. The greater the duration of a bond, the greater its contribution to the concentration percentage. Credit default swap exposures are factored into the duration adjusted exposure using the reference security and applying the same methodology to that security.

* “Other Emerging” is comprised of emerging countries that each represent between (1.0)% and 1.0% of Investments.

§ “Euro Region” is comprised of derivative financial instruments attributed to the Eurozone and not a particular country.

[^] Rounds to 0.0%.

GMO Core Plus Bond Fund
(A Series of GMO Trust)
Schedule of Investments
(showing percentage of total net assets)
February 29, 2020

| Par Value† / Shares | Description | Value (\$) | Par Value† / Shares | Description | Value (\$) |
|---------------------------------------|---|-------------------|---|--|-------------------|
| DEBT OBLIGATIONS — 41.1% | | | U.S. Government Agency — continued | | |
| United States — 41.1% | | | 5,720,000 | Government National Mortgage Association, TBA, 3.50%, due 03/23/50 | 5,926,680 |
| Asset-Backed Securities — 9.0% | | | | Total U.S. Government Agency | 79,943,428 |
| 288,810 | Bear Stearns Commercial Mortgage Securities Trust, Series 05-PW10, Class AJ, Variable Rate, 5.59%, due 12/11/40 | 291,802 | | TOTAL DEBT OBLIGATIONS (COST \$208,441,318) | 217,688,665 |
| 28,970,000 | Commercial Mortgage Trust, Series 13-WWP, Class A2, 144A, 3.42%, due 03/10/31 | 30,598,882 | INVESTMENT FUNDS — 22.7% | | |
| 2,210,000 | Commercial Mortgage Trust, Series 13-WWP, Class B, 144A, 3.73%, due 03/10/31 | 2,352,266 | United States — 22.7% | | |
| 2,900,000 | Commercial Mortgage Trust, Series 13-WWP, Class C, 144A, 3.54%, due 03/10/31 | 3,072,457 | 138,000 | iShares Core S&P 500 ETF | 40,835,580 |
| 5,360,000 | Commercial Mortgage Trust, Series 13-WWP, Class D, 144A, 3.90%, due 03/10/31 | 5,730,046 | 601,862 | iShares iBoxx \$ Investment Grade Corporate Bond ETF | 79,554,119 |
| 375,000 | Morgan Stanley Capital I Trust, Series 14-MP, Class A, 144A, 3.47%, due 08/11/33 | 384,434 | | TOTAL INVESTMENT FUNDS (COST \$117,155,935) | 120,389,699 |
| 100,000 | Morgan Stanley Capital I Trust, Series 14-MP, Class C, 144A, Variable Rate, 3.69%, due 08/11/33 | 102,730 | MUTUAL FUNDS — 26.8% | | |
| 5,000,000 | Morgan Stanley Capital I Trust, Series 14-MP, Class E, 144A, Variable Rate, 3.69%, due 08/11/33 | 5,136,491 | United States — 26.8% | | |
| | Total Asset-Backed Securities | 47,669,108 | Affiliated Issuers — 26.8% | | |
| | U.S. Government — 17.0% | | 1,072,299 | GMO Emerging Country Debt Fund, Class IV | 29,316,657 |
| 7,407,000 | U.S. Treasury Bond, 3.75%, due 11/15/43 | 10,497,108 | 4,145,142 | GMO Opportunistic Income Fund, Class VI | 108,395,452 |
| 4,750,000 | U.S. Treasury Bond, 3.38%, due 05/15/44 ^(a) | 6,385,781 | 899,827 | GMO U.S. Treasury Fund | 4,517,130 |
| 15,563,000 | U.S. Treasury Note, 1.75%, due 11/30/21 | 15,781,247 | | TOTAL MUTUAL FUNDS (COST \$144,560,138) | 142,229,239 |
| 21,406,000 | U.S. Treasury Note, 2.50%, due 05/15/24 | 22,800,735 | | | |
| 21,177,000 | U.S. Treasury Note, 2.00%, due 08/15/25 | 22,335,117 | | | |
| 10,800,000 | U.S. Treasury Note, 2.25%, due 08/15/49 | 12,276,141 | | | |
| | Total U.S. Government | 90,076,129 | | | |
| | U.S. Government Agency — 15.1% | | | | |
| 21,680,000 | Federal National Mortgage Association, TBA, 2.50%, due 03/18/35 | 22,254,181 | | | |
| 26,610,000 | Federal National Mortgage Association, TBA, 3.00%, due 03/12/50 | 27,405,182 | | | |
| 2,630,000 | Federal National Mortgage Association, TBA, 3.50%, due 03/12/50 | 2,731,193 | | | |
| 20,530,000 | Federal National Mortgage Association, TBA, 4.00%, due 03/12/50 | 21,626,192 | | | |

See accompanying notes to the financial statements.

GMO Core Plus Bond Fund
(A Series of GMO Trust)
Schedule of Investments — (Continued)
(showing percentage of total net assets)
February 29, 2020

| Par Value† / Shares | Description | | Value (\$) | | | |
|---|---|----------------|--------------------|------------------|-----------------|-----------------------------|
| SHORT-TERM INVESTMENTS — 22.6% | | | | | | |
| Foreign Government Obligations — 22.4% | | | | | | |
| JPY 1,223,000,000 | Japan Treasury Discount Bill, Zero Coupon, due 05/18/20 | | 11,342,153 | | | |
| JPY 3,300,000,000 | Japan Treasury Discount Bill, Zero Coupon, due 04/06/20 | | 30,598,593 | | | |
| JPY 5,600,000,000 | Japan Treasury Discount Bill, Zero Coupon, due 03/23/20 | | 51,922,569 | | | |
| JPY 2,700,000,000 | Japan Treasury Discount Bill, Zero Coupon, due 03/16/20 | | 25,033,615 | | | |
| | Total Foreign Government Obligations | | <u>118,896,930</u> | | | |
| Money Market Funds — 0.2% | | | | | | |
| 1,088,103 | State Street Institutional Treasury Money Market Fund – Premier Class, 1.50% ^(b) | | <u>1,088,103</u> | | | |
| | TOTAL SHORT-TERM INVESTMENTS (COST \$118,497,467) | | <u>119,985,033</u> | | | |
| PURCHASED OPTIONS — 0.0% | | | | | | |
| Description | Counterparty | Exercise Price | Expiration Date | Principal Amount | Notional Amount | Value (\$) |
| Currency Options – Puts — 0.0% | | | | | | |
| EUR Put/CHF Call | CITI | 1.06 | 04/28/20 | EUR 9,650,000 | EUR 9,650,000 | <u>50,858</u> |
| | TOTAL PURCHASED OPTIONS (COST \$55,459) | | | | | <u>50,858</u> |
| | TOTAL INVESTMENTS — 113.2% (Cost \$588,710,317) | | | | | 600,343,494 |
| | Other Assets and Liabilities (net) — (13.2%) | | | | | <u>(70,049,538)</u> |
| | TOTAL NET ASSETS — 100.0% | | | | | <u>\$530,293,956</u> |

A summary of outstanding financial instruments at February 29, 2020 is as follows:

Forward Currency Contracts

| Settlement Date | Counterparty | Currency Sold | Currency Purchased | Net Unrealized Appreciation (Depreciation) (\$) |
|-----------------|--------------|-------------------|--------------------|---|
| 05/06/2020 | MSCI | AUD 35,376,000 | USD 23,779,844 | 705,160 |
| 05/05/2020 | CITI | BRL 996,981 | USD 230,000 | 7,741 |
| 05/05/2020 | MSCI | BRL 12,673,440 | USD 2,986,026 | 160,704 |
| 03/03/2020 | MSCI | CAD 22,539,586 | USD 17,260,000 | 467,574 |
| 05/04/2020 | JPM | CHF 2,106,027 | USD 2,167,004 | (25,153) |
| 05/14/2020 | JPM | CHF 28,973,662 | USD 29,885,338 | (291,892) |
| 04/07/2020 | MSCI | CLP 2,808,727,800 | USD 3,703,491 | 268,899 |
| 05/06/2020 | JPM | COP 2,418,500,000 | USD 700,000 | 15,270 |
| 05/06/2020 | MSCI | COP 6,503,106,500 | USD 1,918,094 | 76,923 |
| 04/14/2020 | MSCI | CZK 39,953,412 | USD 1,752,306 | 19,476 |
| 04/27/2020 | DB | EUR 2,530,000 | USD 2,782,674 | (19,468) |
| 04/27/2020 | MSCI | EUR 3,030,000 | USD 3,289,004 | (66,921) |
| 05/14/2020 | JPM | GBP 5,239,000 | USD 6,816,280 | 87,187 |
| 04/14/2020 | MSCI | HUF 1,159,457,278 | USD 3,893,540 | 103,880 |
| 03/09/2020 | MSCI | JPY 253,579,857 | USD 2,310,000 | (41,784) |
| 03/16/2020 | MSCI | JPY 2,700,000,000 | USD 24,969,620 | (80,776) |
| 03/23/2020 | MSCI | JPY 5,600,000,000 | USD 51,409,695 | (566,838) |
| 04/06/2020 | CITI | JPY 3,300,000,000 | USD 30,545,097 | (106,958) |
| 05/18/2020 | GS | JPY 1,223,000,000 | USD 10,974,299 | (407,841) |
| 03/05/2020 | JPM | KRW 1,702,787,300 | USD 1,425,541 | 19,025 |

GMO Core Plus Bond Fund
(A Series of GMO Trust)

Schedule of Investments — (Continued)
February 29, 2020

| Settlement Date | Counterparty | Currency Sold | Currency Purchased | Net Unrealized Appreciation (Depreciation) (\$) |
|--------------------|--------------|-------------------|-----------------------|---|
| 03/05/2020 | MSCI | KRW 2,155,805,700 | USD 1,823,393 | 42,680 |
| 03/04/2020 | DB | NOK 8,012,550 | USD 900,000 | 48,365 |
| 03/04/2020 | JPM | NOK 71,366,079 | USD 7,700,000 | 114,665 |
| 03/04/2020 | MSCI | NOK 45,575,927 | USD 4,930,000 | 85,840 |
| 04/08/2020 | JPM | PEN 2,538,133 | USD 747,775 | 14,440 |
| 03/04/2020 | JPM | PHP 42,034,200 | USD 819,700 | (4,655) |
| 06/02/2020 | MSCI | PHP 19,684,400 | USD 382,742 | (558) |
| 03/13/2020 | CITI | PLN 3,293,817 | USD 840,000 | 124 |
| 03/13/2020 | MSCI | PLN 11,269,592 | USD 2,917,316 | 43,732 |
| 04/30/2020 | JPM | RON 1,109,453 | USD 250,000 | (3,812) |
| 04/30/2020 | MSCI | RON 10,021,667 | USD 2,300,500 | 7,822 |
| 04/20/2020 | GS | RUB 21,133,560 | USD 320,000 | 6,775 |
| 03/06/2020 | JPM | SEK 38,795,637 | USD 4,000,000 | (37,895) |
| 05/18/2020 | JPM | SGD 757,844 | USD 545,779 | 1,436 |
| 03/13/2020 | JPM | THB 32,211,808 | USD 1,030,000 | 9,011 |
| 03/13/2020 | MSCI | THB 39,116,138 | USD 1,240,000 | 171 |
| 04/16/2020 | MSCI | TRY 11,852,298 | USD 1,976,668 | 114,162 |
| 04/08/2020 | JPM | TWD 13,682,395 | USD 458,433 | 2,889 |
| 05/06/2020 | GS | USD 1,509,059 | AUD 2,230,000 | (54,498) |
| 03/03/2020 | MSCI | USD 36,467,522 | CAD 48,470,624 | (355,972) |
| 05/04/2020 | JPM | USD 2,030,000 | CHF 1,976,430 | 27,259 |
| 04/07/2020 | JPM | USD 2,010,000 | CLP 1,594,894,000 | (59,718) |
| 04/07/2020 | MSCI | USD 1,140,000 | CLP 914,625,000 | (21,571) |
| 04/14/2020 | CITI | USD 540,000 | CZK 12,309,959 | (6,102) |
| 04/27/2020 | CITI | USD 1,746,801 | EUR 1,580,000 | 3,154 |
| 04/27/2020 | JPM | USD 1,914,833 | EUR 1,730,000 | 1,256 |
| 04/27/2020 | MSCI | USD 7,875,089 | EUR 7,100,000 | (11,371) |
| 05/14/2020 | JPM | USD 6,797,415 | GBP 5,240,000 | (67,038) |
| 05/20/2020 | MSCI | USD 772,673 | IDR 10,687,619,000 | (45,170) |
| 05/28/2020 | MSCI | USD 1,888,933 | ILS 6,456,185 | (19,786) |
| 05/04/2020 | CITI | USD 340,000 | INR 24,420,092 | (4,941) |
| 05/04/2020 | JPM | USD 703,485 | INR 50,741,890 | (7,275) |
| 03/09/2020 | CITI | USD 2,140,000 | JPY 233,902,556 | 29,290 |
| 03/09/2020 | JPM | USD 10,414,504 | JPY 1,127,105,871 | 38,650 |
| 03/09/2020 | MSCI | USD 4,800,000 | JPY 529,551,609 | 111,238 |
| 03/05/2020 | CITI | USD 450,000 | KRW 520,177,500 | (20,329) |
| 03/05/2020 | JPM | USD 2,300,000 | KRW 2,690,625,500 | (77,520) |
| 03/05/2020 | MSCI | USD 550,000 | KRW 647,790,000 | (14,920) |
| 04/03/2020 | JPM | USD 515,712 | KRW 622,799,300 | 2,856 |
| 05/21/2020 | MSCI | USD 3,528,340 | MXN 66,464,398 | (192,880) |
| 03/04/2020 | MSCI | USD 19,603,663 | NOK 178,662,225 | (614,070) |
| 05/11/2020 | JPM | USD 7,032,540 | NOK 64,784,462 | (146,568) |
| 05/05/2020 | JPM | USD 1,852,287 | NZD 2,860,000 | (63,515) |
| 04/08/2020 | MSCI | USD 385,116 | PEN 1,282,168 | (14,663) |
| 03/04/2020 | JPM | USD 440,000 | PHP 22,349,800 | (1,686) |
| 03/04/2020 | MSCI | USD 385,138 | PHP 19,684,400 | 903 |
| 03/13/2020 | CITI | USD 2,400,000 | PLN 9,164,845 | (63,097) |
| 04/20/2020 | MSCI | USD 1,818,202 | RUB 116,710,390 | (88,411) |
| 03/06/2020 | BCLY | USD 6,152,543 | SEK 58,170,142 | (98,128) |
| 03/06/2020 | JPM | USD 4,200,000 | SEK 40,152,630 | (20,868) |
| 03/06/2020 | MSCI | USD 3,140,000 | SEK 30,290,638 | 12,684 |
| 05/04/2020 | JPM | USD 2,940,000 | SEK 28,296,290 | 12,691 |
| 05/04/2020 | MSCI | USD 9,105,449 | SEK 87,535,236 | 28,770 |
| 03/13/2020 | BOA | USD 2,694,716 | THB 81,505,722 | (111,302) |

See accompanying notes to the financial statements.

GMO Core Plus Bond Fund
(A Series of GMO Trust)

Schedule of Investments — (Continued)
February 29, 2020

| Settlement Date | Counterparty | Currency Sold | Currency Purchased | Net Unrealized Appreciation (Depreciation) (\$) |
|-----------------|--------------|----------------|--------------------|---|
| 04/16/2020 | JPM | USD 450,000 | TRY 2,773,132 | (14,222) |
| 04/16/2020 | MSCI | USD 700,000 | TRY 4,317,460 | (21,541) |
| 04/08/2020 | JPM | USD 1,040,000 | TWD 31,059,600 | (5,895) |
| 04/08/2020 | MSCI | USD 630,000 | TWD 18,654,300 | (8,920) |
| 04/30/2020 | BOA | USD 2,023,414 | ZAR 29,916,983 | (121,808) |
| 04/30/2020 | JPM | ZAR 34,767,716 | USD 2,295,059 | 85,127 |
| 04/30/2020 | MSCI | ZAR 14,344,905 | USD 950,000 | 38,198 |
| | | | | <u>\$(1,192,309)</u> |

Futures Contracts

| Number of Contracts + | Type | Expiration Date | Notional Amount (\$) | Value/Net Unrealized Appreciation (Depreciation) (\$) | Number of Contracts + | Type | Expiration Date | Notional Amount (\$) | Value/Net Unrealized Appreciation (Depreciation) (\$) | |
|-----------------------|---------------------------------|-----------------|----------------------|---|-----------------------|--|-----------------|----------------------|---|--|
| 114 | U.S. Long Bond (CBT) | June 2020 | 19,408,500 | 460,303 | 144 | U.S. Treasury Ultra 10 Yr. (CBT) | June 2020 | 21,631,500 | 319,317 | |
| 20 | U.S. Treasury Note 10 Yr. (CBT) | June 2020 | 2,695,000 | 41,505 | 80 | U.S. Ultra Bond (CBT) | June 2020 | 16,600,000 | 508,992 | |
| 178 | U.S. Treasury Note 2 Yr. (CBT) | June 2020 | 38,862,407 | 186,590 | | | | \$143,387,407 | \$1,913,611 | |
| 360 | U.S. Treasury Note 5 Yr. (CBT) | June 2020 | 44,190,000 | 396,904 | | | | | | |
| | | | | | + | Buys - Fund is long the futures contract. Sales - Fund is short the futures contract. | | | | |

Swap Contracts

Centrally Cleared Interest Rate Swaps

| Fund Pays | Fund Receives | Notional Amount | Expiration Date | Periodic Payment Frequency | Premiums Paid/ (Received) (\$) | Value (\$) | Net Unrealized Appreciation/ (Depreciation) (\$) |
|----------------------------|-------------------|-----------------|-----------------|----------------------------|--------------------------------|-------------|--|
| 1.50% | 6 Month AUD BBSW | AUD 50,770,000 | 03/18/2030 | Semi-Annually | 2,987 | (1,858,863) | (1,861,850) |
| 1.28% | 6 Month AUD BBSW | AUD 44,760,000 | 03/18/2030 | Semi-Annually | (35,812) | (1,013,207) | (977,395) |
| 6 Month AUD BBSW | 1.14% | AUD 5,700,000 | 03/18/2030 | Semi-Annually | — | 81,589 | 81,589 |
| 1.22% | 6 Month AUD BBSW | AUD 43,660,000 | 03/18/2030 | Semi-Annually | 13,725 | (821,879) | (835,604) |
| 3 Month CAD LIBOR | 1.88% | CAD 95,550,000 | 03/18/2030 | Semi-Annually | (18,027) | 2,617,162 | 2,635,189 |
| 3 Month CAD LIBOR | 2.03% | CAD 4,580,000 | 03/18/2030 | Semi-Annually | — | 173,733 | 173,733 |
| 3 Month CAD LIBOR | 2.04% | CAD 4,350,000 | 03/18/2030 | Semi-Annually | — | 170,358 | 170,358 |
| 3 Month CAD LIBOR | 2.01% | CAD 6,780,000 | 03/18/2030 | Semi-Annually | — | 249,561 | 249,561 |
| 3 Month CAD LIBOR | 2.03% | CAD 1,140,000 | 03/18/2030 | Semi-Annually | — | 43,965 | 43,965 |
| (0.38)% | 6 Month CHF LIBOR | CHF 1,490,000 | 03/18/2030 | Semi-Annually | — | (25,549) | (25,549) |
| (0.36)% | 6 Month CHF LIBOR | CHF 3,670,000 | 03/18/2030 | Semi-Annually | — | (69,182) | (69,182) |
| 6 Month CHF LIBOR | (0.30)% | CHF 2,730,000 | 03/18/2030 | Semi-Annually | — | 70,287 | 70,287 |
| 6 Month CHF LIBOR | (0.15)% | CHF 2,410,000 | 03/18/2030 | Semi-Annually | — | 102,061 | 102,061 |
| 6 Month CHF LIBOR | (0.19)% | CHF 19,700,000 | 03/18/2030 | Semi-Annually | — | 747,977 | 747,977 |
| 6 Month CHF LIBOR | (0.20)% | CHF 11,840,000 | 03/18/2030 | Semi-Annually | — | 427,135 | 427,135 |
| 6 Month CAD LIBOR | (0.18)% | CHF 38,260,000 | 03/18/2030 | Semi-Annually | — | 1,496,123 | 1,496,123 |
| 6 Month CAD LIBOR | (0.20)% | CHF 6,500,000 | 03/18/2030 | Semi-Annually | (10,652) | 235,897 | 246,549 |
| 3 Month NZD Bank Bill Rate | 1.45% | NZD 2,110,000 | 03/18/2030 | Quarterly | — | 34,283 | 34,283 |
| 3 Month NZD Bank Bill Rate | 1.42% | NZD 7,660,000 | 03/18/2030 | Quarterly | 641 | 108,630 | 107,989 |
| 3 Month NZD Bank Bill Rate | 1.50% | NZD 3,320,000 | 03/18/2030 | Quarterly | — | 62,494 | 62,494 |
| 3 Month NZD Bank Bill Rate | 1.48% | NZD 4,750,000 | 03/18/2030 | Quarterly | 2,866 | 84,432 | 81,566 |
| 3 Month NZD Bank Bill Rate | 1.48% | NZD 1,950,000 | 03/18/2030 | Quarterly | — | 34,603 | 34,603 |
| 3 Month NZD Bank Bill Rate | 1.52% | NZD 2,690,000 | 03/18/2030 | Quarterly | — | 53,857 | 53,857 |
| 3 Month NZD Bank Bill Rate | 1.83% | NZD 23,960,000 | 03/18/2030 | Quarterly | 24,082 | 924,586 | 900,504 |

GMO Core Plus Bond Fund
(A Series of GMO Trust)

Schedule of Investments — (Continued)
February 29, 2020

| <u>Fund Pays</u> | <u>Fund Receives</u> | | <u>Notional Amount</u> | <u>Expiration Date</u> | <u>Periodic Payment Frequency</u> | <u>Premiums Paid/ (Received) (\$)</u> | <u>Value (\$)</u> | <u>Net Unrealized Appreciation/ (Depreciation) (\$)</u> |
|----------------------------|----------------------------|-----|------------------------|------------------------|-----------------------------------|---------------------------------------|-------------------|---|
| 3 Month NZD Bank Bill Rate | 1.66% | NZD | 6,950,000 | 03/18/2030 | Quarterly | — | 197,426 | 197,426 |
| 3 Month NZD Bank Bill Rate | 1.66% | NZD | 4,350,000 | 03/18/2030 | Quarterly | — | 124,871 | 124,871 |
| 3 Month NZD Bank Bill Rate | 1.49% | NZD | 26,130,000 | 03/18/2030 | Quarterly | — | 484,029 | 484,029 |
| 1.43% | 3 Month NZD Bank Bill Rate | NZD | 26,620,000 | 03/18/2030 | Quarterly | — | (392,658) | (392,658) |
| 0.58% | 3 Month SEK STIBOR | SEK | 39,500,000 | 03/18/2030 | Quarterly | — | (132,224) | (132,224) |
| 0.61% | 3 Month SEK STIBOR | SEK | 54,900,000 | 03/18/2030 | Quarterly | — | (199,748) | (199,748) |
| 0.32% | 3 Month SEK STIBOR | SEK | 31,800,000 | 03/18/2030 | Quarterly | — | (19,214) | (19,214) |
| 3 Month SEK STIBOR | 0.58% | SEK | 341,321,000 | 03/18/2030 | Quarterly | (20,464) | 1,128,370 | 1,148,834 |
| 0.32% | 3 Month SEK STIBOR | SEK | 23,300,000 | 03/18/2030 | Quarterly | — | (14,563) | (14,563) |
| 0.47% | 3 Month SEK STIBOR | SEK | 73,700,000 | 03/18/2030 | Quarterly | — | (162,850) | (162,850) |
| (0.03)% | 6 Month EURIBOR | EUR | 4,690,000 | 03/20/2030 | Semi-Annually | (6,355) | (79,730) | (73,375) |
| (0.05)% | 6 Month EURIBOR | EUR | 2,380,000 | 03/20/2030 | Semi-Annually | — | (33,305) | (33,305) |
| (0.05)% | 6 Month EURIBOR | EUR | 7,020,000 | 03/20/2030 | Semi-Annually | 256 | (98,634) | (98,890) |
| 6 Month EURIBOR | (0.15)% | EUR | 2,330,000 | 03/20/2030 | Semi-Annually | — | 6,834 | 6,834 |
| 6 Month EURIBOR | (0.11)% | EUR | 2,250,000 | 03/20/2030 | Semi-Annually | — | 16,426 | 16,426 |
| 6 Month EURIBOR | (0.13)% | EUR | 4,940,000 | 03/20/2030 | Semi-Annually | — | 26,538 | 26,538 |
| 0.90% | 6 Month GBP LIBOR | GBP | 50,780,000 | 03/20/2030 | Semi-Annually | — | (1,699,547) | (1,699,547) |
| 0.84% | 6 Month GBP LIBOR | GBP | 820,000 | 03/20/2030 | Semi-Annually | (5,005) | (21,153) | (16,148) |
| 6 Month GBP LIBOR | 0.62% | GBP | 2,130,000 | 03/20/2030 | Semi-Annually | — | (2,918) | (2,918) |
| 6 Month GBP LIBOR | 0.62% | GBP | 2,130,000 | 03/20/2030 | Semi-Annually | — | (3,453) | (3,453) |
| 6 Month GBP LIBOR | 0.68% | GBP | 1,990,000 | 03/20/2030 | Semi-Annually | — | 12,541 | 12,541 |
| 6 Month GBP LIBOR | 0.75% | GBP | 2,260,000 | 03/20/2030 | Semi-Annually | — | 34,282 | 34,282 |
| 6 Month GBP LIBOR | 0.76% | GBP | 6,640,000 | 03/20/2030 | Semi-Annually | 16,758 | 106,569 | 89,811 |
| 6 Month GBP LIBOR | 0.80% | GBP | 2,080,000 | 03/20/2030 | Semi-Annually | — | 43,455 | 43,455 |
| 6 Month GBP LIBOR | 0.79% | GBP | 2,080,000 | 03/20/2030 | Semi-Annually | — | 41,885 | 41,885 |
| 6 Month GBP LIBOR | 0.81% | GBP | 3,140,000 | 03/20/2030 | Semi-Annually | — | 70,734 | 70,734 |
| 1.60% | 3 Month USD LIBOR | USD | 57,300,000 | 03/20/2030 | Quarterly | (87,504) | (2,799,638) | (2,712,134) |
| 3 Month NZD Bank Bill Rate | 1.32% | NZD | 5,030,000 | 06/17/2030 | Quarterly | — | 34,742 | 34,742 |
| 3 Month NZD Bank Bill Rate | 1.45% | NZD | 26,690,000 | 06/17/2030 | Quarterly | — | 395,628 | 395,628 |
| 1.30% | 3 Month USD LIBOR | USD | 4,334,000 | 06/19/2030 | Quarterly | — | (88,931) | (88,931) |
| 1.32% | 3 Month USD LIBOR | USD | 2,166,000 | 06/19/2030 | Quarterly | — | (48,284) | (48,284) |
| | | | | | | <u>\$(122,504)</u> | <u>\$ 857,533</u> | <u>\$ 980,037</u> |

OTC Total Return Swaps

| <u>Fund Pays</u> | <u>Fund Receives</u> | <u>Counterparty</u> | <u>Notional Amount</u> | <u>Expiration Date</u> | <u>Periodic Payment Frequency</u> | <u>Premiums Paid/ (Received) (\$)</u> | <u>Value (\$)</u> | <u>Net Unrealized Appreciation/ (Depreciation) (\$)</u> |
|--|--|---------------------|------------------------|------------------------|-----------------------------------|---------------------------------------|--------------------|---|
| Total Return on iShares Core S&P 500 ETF | 1 Month USD LIBOR plus a spread of 0.25% | GS | USD 14,545,800 | 03/03/2020 | At Maturity | — | 1,249,162 | 1,249,162 |
| Total Return on iShares Core S&P 500 ETF | 1 Month USD LIBOR plus a spread of 0.23% | GS | USD 10,422,820 | 03/12/2020 | At Maturity | — | 1,258,355 | 1,258,355 |
| Total Return on iShares Core S&P 500 ETF | 1 Month USD LIBOR plus a spread of 0.20% | GS | USD 20,077,460 | 03/26/2020 | At Maturity | — | 1,733,066 | 1,733,066 |
| | | | | | | <u>\$—</u> | <u>\$4,240,583</u> | <u>\$4,240,583</u> |

As of February 29, 2020, for the above contracts and/or agreements, the Fund had sufficient cash and/or securities to cover commitments or collateral requirements, if any, of the relevant broker or exchange.

GMO Core Plus Bond Fund
(A Series of GMO Trust)

Schedule of Investments — (Continued)
February 29, 2020

Notes to Schedule of Investments:

- † Denominated in U.S. Dollar, unless otherwise indicated.
- (a) All or a portion of this security has been pledged to cover margin requirements on futures and/or cleared swap contracts, collateral on OTC swap contracts, forward currency contracts, and/or written options, if any (Note 4).
- (b) The rate disclosed is the 7 day net yield as of February 29, 2020.

For a listing of definitions of acronyms, counterparty abbreviations and currency abbreviations used throughout the Schedule of Investments as well as the derivative tables, if any, please refer to page 56.

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GMO Emerging Country Debt Fund (A series of GMO Trust)

Portfolio Management

Day-to-day management of the Fund's portfolio is the responsibility of the Emerging Country Debt team at Grantham, Mayo, Van Otterloo & Co. LLC.

Management Discussion and Analysis of Fund Performance

Class III shares of GMO Emerging Country Debt Fund returned +8.97% (net) for the fiscal year ended February 29, 2020, as compared with +9.89% for the J.P. Morgan EMBI Global (EMBIG).

EMBIG spreads over U.S. Treasuries tightened 7 basis points to 354 basis points during the fiscal year, while the yield on the 10-Year U.S. Treasury bond fell by 157 basis points to 1.15%.

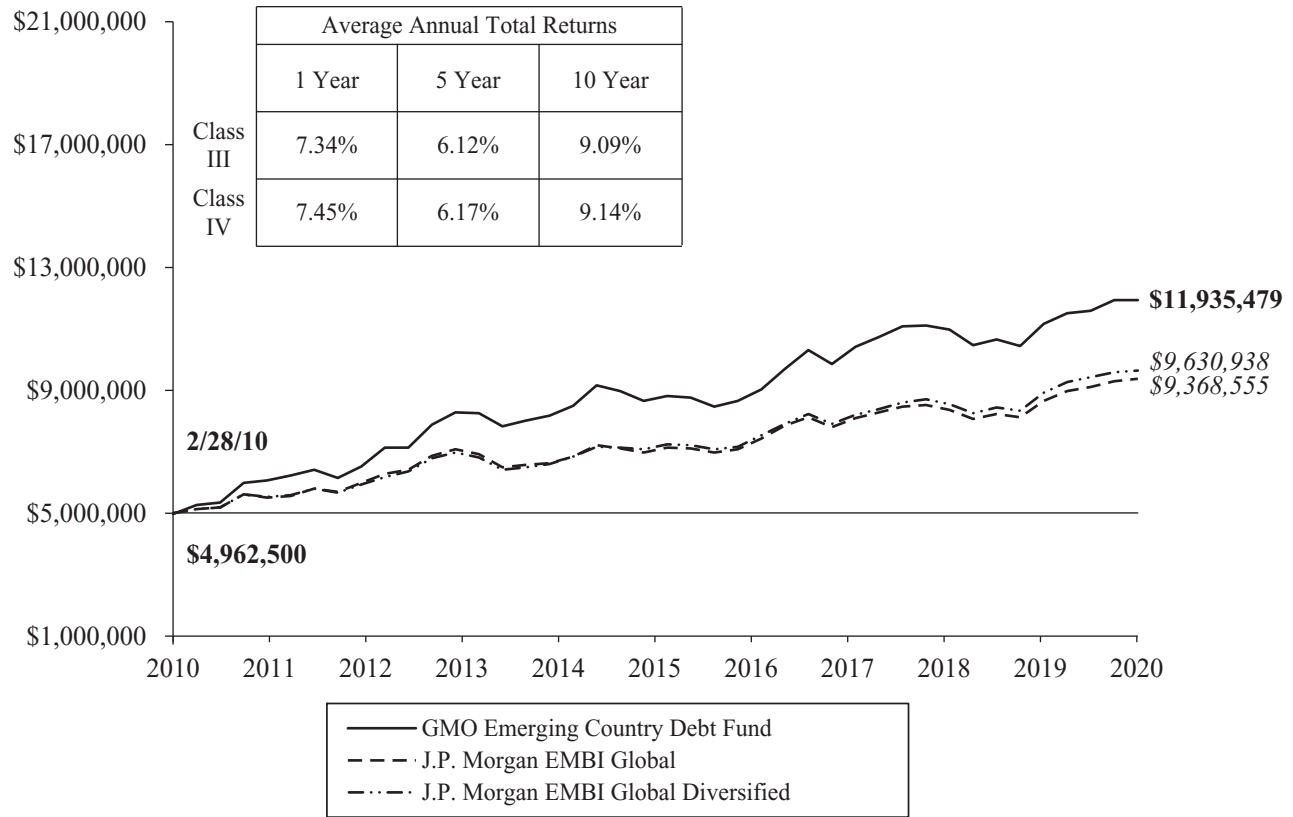
Country selection subtracted from the Fund's relative performance. Negative alpha from country selection was driven by losses from its overweight in Venezuela, which had the second-worst return in the EMBIG during the fiscal year, and its overweight in Argentina. Negative alpha also came from the Fund's underweights in China and in Qatar, and its overweight in Ecuador. Partly offsetting these losses, the Fund's underweight in Lebanon, which had the worst return in the index during the fiscal year, provided a strong contribution to performance. The overweight in Ukraine, which was the EMBIG's second-best performer also contributed positively to country selection alpha, as did overweights in Tunisia, Mexico, and Pakistan.

Security selection was additive to the Fund's relative performance during the year. Gains from the choice of holdings in Argentina, Venezuela, and the Philippines drove positive alpha, followed by smaller contributions from security selection in Costa Rica and Angola. Negative alpha from security selection in Mexico, Tunisia, and South Africa only partly offsets these gains. The Fund had positive alpha from holdings in off-benchmark countries, which we consider security selection. The most notable country in this category was Congo, followed by Albania, the Bahamas, and Greece.

The views expressed herein are exclusively those of Grantham, Mayo, Van Otterloo & Co. LLC as of the date of this report and are subject to change. GMO disclaims any responsibility to update such views. They are not meant as investment advice. References to specific securities are not recommendations of such securities and may not be representative of any GMO portfolio's current or future investments. All information is unaudited.

GMO Emerging Country Debt Fund
(A Series of GMO Trust)

**Comparison of Change in Value of a \$5,000,000 Investment in
GMO Emerging Country Debt Fund Class III Shares, the J.P. Morgan EMBI Global, and the
J.P. Morgan EMBI Global Diversified
As of February 29, 2020**



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 up to the most recent month-end, visit www.gmo.com. Performance shown is net of all fees after reimbursement from GMO. Each performance figure assumes a purchase at the beginning and redemption at the end of the stated period and reflects a transaction fee of 0.75% on the purchase and 0.75% on the redemption. Transaction fees are retained by the Fund to cover trading costs. Returns would have been lower had certain expenses not been reimbursed during the periods shown and do not include the effect of taxes on distributions and redemptions. All information is unaudited. Performance for classes may vary due to different fees.

For J.P. Morgan disclaimers please visit <https://www.gmo.com/north-america/benchmark-disclaimers/>

As of March 1, 2020, the Emerging Country Debt Fund changed its benchmark so that the Fund now seeks total return in excess of that of the J.P. Morgan Emerging Markets Bond Index Global Diversified (EMBIGD). The Fund formerly sought to outperform the J.P. Morgan Emerging Markets Bond Index Global (EMBIG).

GMO Emerging Country Debt Fund

(A Series of GMO Trust)

Investment Concentration Summary

February 29, 2020 (Unaudited)

| Asset Class Summary† | % of Total Net Assets |
|---------------------------------------|-----------------------|
| Debt Obligations | 94.9 |
| Loan Participations | 1.1 |
| Short-Term Investments | 1.0 |
| Swap Contracts | 0.6 |
| Rights/Warrants | 0.4 |
| Loan Assignments | 0.3 |
| Forward Currency Contracts | 0.1 |
| Written Options/Credit Linked Options | (0.0) [^] |
| Other | 1.6 |
| | 100.0% |

| Country/Region Summary‡ | % of Investments |
|-------------------------|------------------|
| Other Emerging | 11.4%* |
| Mexico | 8.5 |
| Turkey | 6.1 |
| Indonesia | 4.9 |
| Oman | 3.9 |
| Chile | 3.6 |
| Argentina | 3.6 |
| Russia | 3.4 |
| South Africa | 3.3 |
| Ukraine | 3.2 |
| Tunisia | 3.0 |
| Saudi Arabia | 3.0 |
| Bahrain | 3.0 |
| Dominican Republic | 2.5 |
| Ecuador | 2.4 |
| Philippines | 2.3 |
| Pakistan | 2.3 |
| Brazil | 2.3 |
| Kazakhstan | 2.1 |
| Egypt | 2.1 |
| Colombia | 2.0 |
| United States | 1.9 |
| Costa Rica | 1.9 |
| United Arab Emirates | 1.7 |
| Venezuela | 1.6 |
| Israel | 1.6 |
| Uruguay | 1.5 |
| Sri Lanka | 1.5 |
| Kenya | 1.5 |
| Ivory Coast | 1.3 |
| Panama | 1.2 |
| Romania | 1.1 |
| India | 1.1 |
| Ghana | 1.1 |
| Azerbaijan | 1.1 |
| Jordan | 1.0 |
| | 100.0% |

† The table incorporates aggregate indirect asset class exposure associated with investments in other funds of GMO Trust (“underlying funds”). Derivative financial instruments, if any, are based on market values, rather than the notional amounts of derivatives, except for forward currency contracts which are based on unrealized appreciation/(depreciation).

‡ The table incorporates aggregate indirect country exposure associated with investments in the underlying funds. The table excludes short-term investments. The table includes exposure through the use of certain derivative financial instruments and excludes exposure through certain currency linked derivatives such as forward currency contracts and currency options. The table is based on duration adjusted net exposures (both investments and derivatives), taking into account the market value of securities and the notional amounts of swaps and other derivative financial instruments. For example, U.S. asset-backed securities may represent a relatively small percentage due to their short duration, even though they represent a large percentage of market value (direct and indirect). Duration is based on GMO’s models. The greater the duration of a bond, the greater its contribution to the concentration percentage. Credit default swap exposures are factored into the duration adjusted exposure using a reference security and applying the same methodology to that security.

* “Other Emerging” is comprised of emerging countries that each represent between (1.0)% and 1.0% of Investments.

^ Rounds to 0.0%.

GMO Emerging Country Debt Fund
(A Series of GMO Trust)
Schedule of Investments
(showing percentage of total net assets)
February 29, 2020

| Par Value† | Description | Value (\$) | Par Value† | Description | Value (\$) |
|-------------------|--|-------------------|-------------------|---|--|
| | DEBT OBLIGATIONS — 94.0% | | | Azerbaijan — continued | |
| | Albania — 1.0% | | | Foreign Government Obligations — 0.5% | |
| | Foreign Government Obligations | | 20,300,000 | Republic of Azerbaijan International Bond, Reg S, 5.13%, due 09/01/29 | 22,126,917 |
| 49,649,849 | Republic of Albania Par Bond, Zero Coupon, due 08/31/25 ^{(a) (b)} | 43,828,157 | | Total Azerbaijan | 41,542,479 |
| | Angola — 0.3% | | | Bahrain — 1.7% | |
| | Foreign Government Obligations | | | Foreign Government Obligations | |
| 12,700,000 | Angolan Government International Bond, Reg S, 9.38%, due 05/08/48 | 12,922,250 | 19,500,000 | Bahrain Government International Bond, 144A, 5.63%, due 09/30/31 | 20,182,500 |
| | Argentina — 2.8% | | 18,700,000 | Bahrain Government International Bond, Reg S, 6.00%, due 09/19/44 | 18,700,000 |
| | Foreign Government Obligations | | 30,050,000 | Bahrain Government International Bond, Reg S, 7.50%, due 09/20/47 | 35,083,375 |
| 5,400,000 | Republic of Argentina, 7.50%, due 04/22/26 | 2,343,938 | | Total Bahrain | 73,965,875 |
| 23,100,000 | Republic of Argentina, 6.88%, due 01/26/27 | 9,853,594 | | Barbados — 0.2% | |
| EUR 12,000,000 | Republic of Argentina, Reg S, 5.25%, due 01/15/28 | 5,162,347 | | Foreign Government Obligations | |
| JPY 407,485,276 | Republic of Argentina, Variable Rate, 4.33%, due 12/31/33 ^(c) | 982,724 | 7,600,000 | Barbados Government International Bond, 144A, 6.50%, due 10/01/29 | 8,048,875 |
| | Republic of Argentina, 7.63%, due 04/22/46 | 11,120,312 | | Belarus — 0.1% | |
| | Republic of Argentina, 7.13%, due 06/28/2117 | 3,047,125 | | Foreign Government Obligations | |
| EUR 17,641,371 | Republic of Argentina Discount Bond, 7.82%, due 12/31/33 | 9,877,575 | 3,700,000 | Republic of Belarus International Bond, Reg S, 6.20%, due 02/28/30 | 3,960,156 |
| | Republic of Argentina Discount Bond, 8.28%, due 12/31/33 | 21,073,836 | | Belize — 0.5% | |
| | Republic of Argentina Discount Bond, 8.28%, due 12/31/33 | 6,215,753 | | Foreign Government Obligations | |
| EUR 36,050,000 | Republic of Argentina Par Bond, Step Up, 3.38%, due 12/31/38 | 15,262,304 | 35,228,000 | Republic of Belize, Reg S, Step Up, 4.94%, due 02/20/34 | 22,259,693 |
| EUR 80,830,000 | Republic of Argentina Par Bond, Step Up, 3.38%, due 12/31/38 | 34,967,904 | | Bermuda — 0.1% | |
| | Total Argentina | 119,907,412 | | Foreign Government Obligations | |
| | Armenia — 0.2% | | | Bermuda Government International Bond, Reg S, 4.75%, due 02/15/29 | 5,006,813 |
| | Foreign Government Agency — 0.1% | | | Brazil — 2.0% | |
| 7,600,000 | Ardshinbank CJSC Via Dilijan Finance BV, 144A, 6.50%, due 01/28/25 | 7,657,000 | | Corporate Debt — 0.4% | |
| | Foreign Government Obligations — 0.1% | | | Foreign Government Agency — 0.6% | |
| 2,195,000 | Republic of Armenia, Reg S, 7.15%, due 03/26/25 | 2,573,638 | 18,735,140 | MV24 Capital BV, 144A, 6.75%, due 06/01/34 | 19,449,417 |
| | Total Armenia | 10,230,638 | | Foreign Government Obligations — 0.6% | |
| | Azerbaijan — 1.0% | | | Centrais Eletricas Brasileiras SA, 144A, 4.63%, due 02/04/30 | 5,359,625 |
| | Foreign Government Agency — 0.5% | | | 17,039,000 | Petrobras Global Finance BV, 6.85%, due 06/05/15 |
| 10,900,000 | International Bank of Azerbaijan OJSC, Reg S, 3.50%, due 09/01/24 | 10,559,375 | | | 20,169,917 |
| 7,450,000 | Southern Gas Corridor CJSC, Reg S, 6.88%, due 03/24/26 | 8,856,187 | | | 25,529,542 |
| | | 19,415,562 | | | Foreign Government Obligations — 1.0% |
| | | | | | Foreign Government Obligations — 1.0% |
| | | | 19,897,000 | Republic of Brazil, 7.13%, due 01/20/37 | 26,742,812 |
| | | | 15,000,000 | Republic of Brazil, 4.75%, due 01/14/50 | 15,857,812 |
| | | | | | 42,600,624 |
| | | | | Total Brazil | 87,579,583 |

See accompanying notes to the financial statements.

GMO Emerging Country Debt Fund
(A Series of GMO Trust)
Schedule of Investments — (Continued)
(showing percentage of total net assets)
February 29, 2020

| Par Value† | Description | Value (\$) | Par Value† | Description | Value (\$) |
|-------------------|---|-------------------|-------------------|---|-------------------|
| | Cameroon — 0.1% | | | Costa Rica — continued | |
| | Foreign Government Obligations — 0.1% | | | Foreign Government Obligations — continued | |
| 4,500,000 | Republic of Cameroon International Bond, Reg S, 9.50%, due 11/19/25 | 5,042,813 | 34,431,000 | Costa Rica Government International Bond, Reg S, 7.16%, due 03/12/45 | 35,743,682 |
| | | | | | 66,684,780 |
| | Chile — 2.1% | | | Total Costa Rica | 76,151,655 |
| | Corporate Debt — 0.7% | | | Dominican Republic — 2.8% | |
| 20,411,000 | Empresa Nacional de Electricidad SA, 8.13%, due 02/01/97 ^(c) | 29,902,115 | | Asset-Backed Securities — 0.4% | |
| | | | 16,341,504 | Autopistas Del Nordeste Ltd., Reg S, 9.39%, due 04/15/24 | 17,505,836 |
| | Foreign Government Agency — 1.4% | | | Foreign Government Obligations — 2.4% | |
| 5,300,000 | Banco del Estado de Chile, 144A, 2.70%, due 01/09/25 | 5,359,625 | 17,687,000 | Dominican Republic International Bond, Reg S, 8.63%, due 04/20/27 | 21,417,851 |
| 8,800,000 | Corp Nacional del Cobre de Chile, Reg S, 4.25%, due 07/17/42 | 9,622,250 | DOP 1,500,000,000 | Dominican Republic International Bond, 144A, 10.38%, due 01/11/30 | 27,703,296 |
| 38,700,000 | Corp Nacional del Cobre de Chile, 144A, 3.70%, due 01/30/50 | 39,147,469 | 29,811,000 | Dominican Republic International Bond, Reg S, 6.85%, due 01/27/45 | 33,118,158 |
| 4,300,000 | Empresa Nacional del Petroleo, Reg S, 5.25%, due 11/06/29 | 4,875,125 | 11,900,000 | Dominican Republic International Bond, 144A, 6.40%, due 06/05/49 | 12,591,687 |
| 3,600,000 | Empresa Nacional del Petroleo, Reg S, 4.50%, due 09/14/47 | 3,714,187 | 7,600,000 | Dominican Republic International Bond, 144A, 5.88%, due 01/30/60 | 7,524,000 |
| | | 62,718,656 | | | 102,354,992 |
| | Total Chile | 92,620,771 | | Total Dominican Republic | 119,860,828 |
| | Colombia — 1.8% | | | Ecuador — 2.1% | |
| | Foreign Government Agency — 1.3% | | | Foreign Government Obligations | |
| 40,011,000 | Ecopetrol SA, 7.38%, due 09/18/43 | 54,439,967 | 10,700,000 | Ecuador Government International Bond, Reg S, 9.63%, due 06/02/27 | 7,918,000 |
| | Foreign Government Obligations — 0.5% | | 34,000,000 | Ecuador Government International Bond, Reg S, 8.88%, due 10/23/27 | 24,618,125 |
| 647,000 | Colombia Government International Bond, 8.38%, due 02/15/27 | 788,693 | 36,000,000 | Ecuador Government International Bond, Reg S, 10.75%, due 01/31/29 | 27,405,000 |
| 3,800,000 | Colombia Government International Bond, 11.85%, due 03/09/28 ^(c) | 6,156,000 | 28,900,000 | Ecuador Government International Bond, 144A, 9.50%, due 03/27/30 | 20,970,562 |
| 7,800,000 | Colombia Government International Bond, 5.63%, due 02/26/44 | 10,044,937 | 20,600,000 | Ecuador Social Bond Sarl, Zero Coupon, 144A, due 01/30/35 | 12,048,940 |
| 4,600,000 | Colombia Government International Bond, 5.20%, due 05/15/49 | 5,794,563 | | Total Ecuador | 92,960,627 |
| | | 22,784,193 | | | |
| | Total Colombia | 77,224,160 | | Egypt — 1.4% | |
| | Congo Republic (Brazzaville) — 1.4% | | | Foreign Government Obligations | |
| | Foreign Government Obligations | | 24,000,000 | Egypt Government International Bond, Reg S, 7.90%, due 02/21/48 | 24,315,000 |
| 69,470,603 | Republic of Congo, Reg S, Step Up, 6.00%, due 06/30/29 ^(c) | 60,352,586 | 27,200,000 | Egypt Government International Bond, Reg S, 8.70%, due 03/01/49 | 29,248,500 |
| | Costa Rica — 1.8% | | 5,300,000 | Egypt Government International Bond, Reg S, 8.15%, due 11/20/59 | 5,392,750 |
| | Foreign Government Agency — 0.2% | | | Total Egypt | 58,956,250 |
| 10,800,000 | Instituto Costarricense de Electricidad, Reg S, 6.38%, due 05/15/43 | 9,466,875 | | El Salvador — 0.8% | |
| | Foreign Government Obligations — 1.6% | | | Foreign Government Obligations | |
| 26,400,000 | Costa Rica Government International Bond, Reg S, 9.20%, due 08/26/26 | 30,941,098 | 26,275,000 | El Salvador Government International Bond, Reg S, 7.65%, due 06/15/35 | 29,395,156 |

GMO Emerging Country Debt Fund
(A Series of GMO Trust)
Schedule of Investments — (Continued)
(showing percentage of total net assets)
February 29, 2020

| Par Value† | Description | Value (\$) | Par Value† | Description | Value (\$) |
|---------------|--|------------|-------------------|---|-------------|
| | El Salvador — continued | | | India — 0.8% | |
| | Foreign Government Obligations — continued | | | Corporate Debt — 0.1% | |
| 5,300,000 | El Salvador Government International Bond, 144A, 7.12%, due 01/20/50 | 5,543,469 | 5,200,000 | Delhi International Airport Ltd., 144A, 6.45%, due 06/04/29 | 5,526,612 |
| | Total El Salvador | 34,938,625 | | | |
| | Ethiopia — 0.1% | | | Foreign Government Agency — 0.5% | |
| | Foreign Government Obligations | | 7,500,000 | Indian Railway Finance Corp., Ltd. | 7,493,437 |
| 4,190,000 | Federal Democratic Republic of Ethiopia, Reg S, 6.63%, due 12/11/24 | 4,436,163 | 15,000,000 | Power Finance Corp., Ltd. | 15,019,350 |
| | | | | | 22,512,787 |
| | Gabon — 0.5% | | | Foreign Government Obligations — 0.2% | |
| | Foreign Government Obligations | | 7,500,000 | Export-Import Bank of India, 144A, 3.25%, due 01/15/30 | 7,621,875 |
| 5,879,378 | Gabonese Republic, Reg S, 6.38%, due 12/12/24 | 6,154,974 | | Total India | 35,661,274 |
| 15,800,000 | Gabonese Republic, 144A, 6.63%, due 02/06/31 | 15,799,368 | | | |
| | Total Gabon | 21,954,342 | | Indonesia — 3.8% | |
| | Ghana — 1.2% | | | Foreign Government Agency — 1.4% | |
| | Foreign Government Agency — 0.3% | | 18,400,000 | Pertamina Persero PT, Reg S, 6.50%, due 05/27/41 | 24,245,680 |
| 12,897,659 | Saderea, Ltd., Reg S, 12.50%, due 11/30/26 | 14,057,694 | 8,100,000 | Pertamina Persero PT, Reg S, 5.63%, due 05/20/43 | 9,800,717 |
| | Foreign Government Obligations — 0.9% | | 6,100,000 | Perusahaan Listrik Negara PT, Reg S, 6.15%, due 05/21/48 | 7,914,750 |
| 17,482,000 | Republic of Ghana, Reg S, 10.75%, due 10/14/30 | 22,114,730 | 14,200,000 | Perusahaan Listrik Negara PT, Reg S, 6.25%, due 01/25/49 | 18,825,224 |
| 3,800,000 | Republic of Ghana, Reg S, 8.95%, due 03/26/51 | 3,845,125 | | | 60,786,371 |
| 14,300,000 | Republic of Ghana, 144A, 8.75%, due 03/11/61 | 14,157,000 | | Foreign Government Obligations — 2.4% | |
| | | 40,116,855 | 12,200,000 | Indonesia Government International Bond, 4.75%, due 02/11/29 | 14,097,466 |
| | Total Ghana | 54,174,549 | 43,091,000 | Indonesia Government International Bond, Reg S, 6.63%, due 02/17/37 | 60,596,719 |
| | Greece — 0.2% | | 7,900,000 | Indonesia Government International Bond, Reg S, 5.25%, due 01/08/47 | 10,119,406 |
| | Foreign Government Obligations | | 16,500,000 | Indonesia Government International Bond, 4.35%, due 01/11/48 | 18,670,781 |
| EUR 5,800,000 | Hellenic Republic Government Bond, Reg S, Step Up, 3.65%, due 02/24/36 | 8,100,828 | | | 103,484,372 |
| | | | | Total Indonesia | 164,270,743 |
| | Grenada — 0.3% | | | Israel — 1.1% | |
| | Foreign Government Obligations | | | Foreign Government Agency | |
| 12,076,313 | Grenada Government International Bond, Reg S, 7.00%, due 05/12/30 | 11,714,024 | JPY 2,500,000,000 | Israel Electric Corp., Ltd., 4.10%, due 01/14/32 ^(c) | 28,856,851 |
| | Guatemala — 0.6% | | 12,323,000 | Israel Electric Corp., Ltd., Reg S, 8.10%, due 12/15/96 | 17,621,890 |
| | Foreign Government Obligations | | | Total Israel | 46,478,741 |
| 17,765,000 | Republic of Guatemala, Reg S, 8.13%, due 10/06/34 | 24,227,019 | | Ivory Coast — 0.7% | |
| | Honduras — 0.2% | | | Foreign Government Obligations | |
| | Foreign Government Obligations | | EUR 28,300,000 | Ivory Coast Government International Bond, Reg S, 6.63%, due 03/22/48 | 31,241,789 |
| 6,646,000 | Honduras Government International Bond, Reg S, 6.25%, due 01/19/27 | 7,412,367 | | | |

See accompanying notes to the financial statements.

GMO Emerging Country Debt Fund
(A Series of GMO Trust)
Schedule of Investments — (Continued)
(showing percentage of total net assets)
February 29, 2020

| Par Value† | Description | Value (\$) | Par Value† | Description | Value (\$) |
|------------|--|------------|----------------|--|-------------|
| | Jamaica — 1.1% | | | Mexico — 6.7% | |
| | Corporate Debt — 0.1% | | | Foreign Government Agency — 4.4% | |
| 5,300,000 | TransJamaican Highway Ltd, 144A, 5.75%, due 10/10/36 | 5,459,000 | 27,884,000 | Petroleos Mexicanos, 6.35%, due 02/12/48 | 25,812,219 |
| | Foreign Government Agency — 0.3% | | 6,400,000 | Petroleos Mexicanos, Reg S, 6.63%, due 09/29/49 | 5,739,200 |
| 11,400,000 | National Road Operating & Construction Co., Ltd., Reg S, 9.38%, due 11/10/24 ^(c) | 13,680,000 | 131,800,000 | Petroleos Mexicanos, 144A, 7.69%, due 01/23/50 | 137,053,548 |
| | Foreign Government Obligations — 0.7% | | 22,986,000 | Petroleos Mexicanos, 144A, 6.95%, due 01/28/60 | 22,066,560 |
| 20,675,000 | Jamaica Government International Bond, 7.88%, due 07/28/45 | 28,046,930 | | | 190,671,527 |
| | Total Jamaica | 47,185,930 | | Foreign Government Obligations — 2.3% | |
| | Jordan — 0.7% | | 19,578,000 | United Mexican States, 5.75%, due 10/12/2110 | 24,735,579 |
| | Foreign Government Obligations | | GBP 50,396,000 | United Mexican States, 5.63%, due 03/19/2114 | 75,741,161 |
| 26,750,000 | Jordan Government International Bond, Reg S, 7.38%, due 10/10/47 | 28,747,891 | | Total Mexico | 291,148,267 |
| | Kazakhstan — 1.5% | | | Morocco — 0.4% | |
| | Foreign Government Agency — 0.7% | | | Foreign Government Agency | |
| 9,000,000 | Kazakhstan Temir Zholy Finance BV, Reg S, 6.95%, due 07/10/42 | 12,529,688 | 14,500,000 | Office Cherifien des Phosphates SA, Reg S, 6.88%, due 04/25/44 | 19,099,219 |
| 14,700,000 | KazMunayGas National Co JSC, Reg S, 6.38%, due 10/24/48 | 19,406,296 | | Mozambique — 0.1% | |
| | | 31,935,984 | | Foreign Government Obligations | |
| | Foreign Government Obligations — 0.8% | | 5,876,000 | Mozambique International Bond, Reg S, 5.00%, due 09/15/31 | 5,514,259 |
| 21,299,000 | Kazakhstan Government International Bond, Reg S, 6.50%, due 07/21/45 | 32,427,727 | | Nigeria — 0.4% | |
| | Total Kazakhstan | 64,363,711 | | Foreign Government Obligations | |
| | Kenya — 0.9% | | 7,200,000 | Nigeria Government International Bond, Reg S, 7.70%, due 02/23/38 | 6,894,000 |
| | Foreign Government Obligations | | 10,750,000 | Nigeria Government International Bond, Reg S, 7.63%, due 11/28/47 | 10,021,016 |
| 35,400,000 | Kenya Government International Bond, Reg S, 8.25%, due 02/28/48 | 37,789,500 | | Total Nigeria | 16,915,016 |
| | Lebanon — 0.2% | | | Oman — 2.5% | |
| | Foreign Government Obligations | | | Foreign Government Obligations | |
| 15,000,000 | Lebanon Government International Bond, Reg S, 6.85%, due 03/23/27 | 3,900,000 | 33,800,000 | Oman Government International Bond, 144A, 6.00%, due 08/01/29 | 34,095,750 |
| 6,000,000 | Lebanon Government International Bond, Reg S, 7.15%, due 11/20/31 | 1,379,997 | 15,000,000 | Oman Government International Bond, Reg S, 6.50%, due 03/08/47 | 13,992,188 |
| 22,500,000 | Lebanon Government International Bond, 8.25%, due 05/17/34 | 5,271,975 | 64,900,000 | Oman Government International Bond, Reg S, 6.75%, due 01/17/48 | 61,208,812 |
| | Total Lebanon | 10,551,972 | | Total Oman | 109,296,750 |
| | Malaysia — 0.2% | | | Pakistan — 1.0% | |
| | Foreign Government Agency | | | Foreign Government Obligations | |
| 7,700,000 | IMDB Global Investments Ltd, Reg S, 4.40%, due 03/09/23 | 7,489,454 | 39,562,000 | Islamic Republic of Pakistan, Reg S, 7.88%, due 03/31/36 | 43,312,082 |

GMO Emerging Country Debt Fund
(A Series of GMO Trust)
Schedule of Investments — (Continued)
(showing percentage of total net assets)
February 29, 2020

| Par Value† | Description | Value (\$) | Par Value† | Description | Value (\$) |
|-------------------|--|-------------|----------------|---|-------------|
| | Panama — 1.1% | | | Romania — continued | |
| | Foreign Government Agency — 0.4% | | | Foreign Government Obligations — continued | |
| 12,900,000 | Aeropuerto Internacional de Tocumen SA, Reg S, 6.00%, due 11/18/48 | 16,383,000 | EUR 12,900,000 | Romanian Government International Bond, 144A, 3.38%, due 01/28/50 | 14,741,100 |
| | | | | Total Romania | 20,097,506 |
| | Foreign Government Obligations — 0.7% | | | Russia — 2.6% | |
| 7,951,000 | Panama Government International Bond, 8.13%, due 04/28/34 | 11,040,361 | | Foreign Government Agency — 0.4% | |
| 11,500,000 | Panama Government International Bond, 4.30%, due 04/29/53 | 14,155,781 | 11,867,000 | Gazprom OAO Via Gaz Capital SA, Reg S, 8.63%, due 04/28/34 | 17,633,620 |
| 4,200,000 | Panama Notas del Tesoro, 144A, 3.75%, due 04/17/26 | 4,500,300 | | Foreign Government Obligations — 2.2% | |
| | | 29,696,442 | 49,600,000 | Russian Foreign Bond, 144A, 5.10%, due 03/28/35 | 59,693,600 |
| Total Panama | | 46,079,442 | 8,800,000 | Russian Foreign Bond, Reg S, 5.10%, due 03/28/35 | 10,590,800 |
| | Papua New Guinea — 0.0% | | 20,800,000 | Russian Foreign Bond, Reg S, 5.25%, due 06/23/47 | 26,910,000 |
| | Foreign Government Obligations | | | Total Russia | 114,828,020 |
| 1,400,000 | Papua New Guinea Government International Bond, Reg S, 8.38%, due 10/04/28 | 1,514,188 | | Rwanda — 0.1% | |
| | Peru — 1.1% | | | Foreign Government Obligations | |
| | Foreign Government Agency — 1.0% | | 5,487,000 | Rwanda International Government Bond, Reg S, 6.63%, due 05/02/23 | 5,871,086 |
| 10,543,089 | Peru Enhanced Pass-Through Finance Ltd., Reg S, Zero Coupon, due 06/02/25 ^(c) | 9,891,210 | | Saudi Arabia — 2.1% | |
| 27,395,000 | Petroleos del Peru SA, Reg S, 5.63%, due 06/19/47 | 33,113,706 | | Corporate Debt — 0.4% | |
| | | 43,004,916 | 17,900,000 | ACWA Power Management And Investments One Ltd, Reg S, 5.95%, due 12/15/39 | 19,712,375 |
| | Foreign Government Obligations — 0.1% | | | Foreign Government Obligations — 1.7% | |
| 5,000,000 | Peru Par Bond, Series 30 Yr., Step Up, 4.00%, due 03/07/27 ^(c) | 5,031,265 | 22,700,000 | Saudi Government International Bond, 144A, 3.75%, due 01/21/55 | 22,983,750 |
| Total Peru | | 48,036,181 | 21,000,000 | Saudi Government International Bond, Reg S, 5.00%, due 04/17/49 | 25,961,250 |
| | Philippines — 2.5% | | 18,600,000 | Saudi Government International Bond, Reg S, 5.25%, due 01/16/50 | 23,895,187 |
| | Foreign Government Agency | | | Total Saudi Arabia | 92,552,562 |
| 4,700,000 | Bangko Sentral ng Pilipinas Bond, 8.60%, due 06/15/97 ^(c) | 14,447,469 | | Senegal — 0.4% | |
| 23,300,000 | Central Bank of Philippines, Series A, 8.60%, due 06/15/27 | 31,600,625 | | Foreign Government Obligations | |
| 42,012,000 | National Power Corp., Global Bond, 9.63%, due 05/15/28 | 62,637,266 | 17,400,000 | Senegal Government International Bond, Reg S, 6.75%, due 03/13/48 | 17,432,625 |
| Total Philippines | | 108,685,360 | | South Africa — 2.8% | |
| | Qatar — 0.3% | | | Foreign Government Agency — 0.5% | |
| | Foreign Government Obligations | | 9,100,000 | Eskom Holdings SOC, Ltd., Reg S, 7.13%, due 02/11/25 | 9,129,860 |
| 11,000,000 | Qatar Government International Bond, Reg S, 5.10%, due 04/23/48 | 14,602,500 | 8,500,000 | Eskom Holdings SOC, Ltd., Reg S, 8.45%, due 08/10/28 | 8,962,187 |
| | Romania — 0.5% | | | | |
| | Foreign Government Obligations | | | | |
| 4,500,000 | Romanian Government International Bond, Reg S, 5.13%, due 06/15/48 | 5,356,406 | | | |

See accompanying notes to the financial statements.

GMO Emerging Country Debt Fund
(A Series of GMO Trust)
Schedule of Investments — (Continued)
(showing percentage of total net assets)
February 29, 2020

| | Par Value† | Description | Value (\$) | | Par Value† | Description | Value (\$) |
|-----|--------------------|---|--------------------|--|-------------------|---|--------------------|
| | | South Africa — continued | | | | Trinidad And Tobago — 0.8% | |
| | | Foreign Government Agency — continued | | | | Foreign Government Agency | |
| ZAR | 163,000,000 | Eskom Holdings SOC, Ltd., Zero Coupon, due 12/31/32 | 1,638,777 | | 9,800,000 | Telecommunications Services of Trinidad & Tobago Ltd, 144A, 8.88%, due 10/18/29 | 10,290,000 |
| ZAR | 27,300,000 | Transnet, Ltd., 13.50%, due 04/18/28 | 2,144,853 | | 4,792,000 | Trinidad Generation UnLtd, Reg S, 5.25%, due 11/04/27 | 5,094,495 |
| | | | <u>21,875,677</u> | | 4,900,000 | Trinidad Petroleum Holdings Ltd, Reg S, 9.75%, due 06/15/26 | 5,546,800 |
| | | Foreign Government Obligations — 2.3% | | | 11,361,000 | Trinidad Petroleum Holdings Ltd, 144A, 9.75%, due 06/15/26 | 12,860,652 |
| | 13,700,000 | Republic of South Africa Government International Bond, 5.65%, due 09/27/47 | 13,156,281 | | | Total Trinidad And Tobago | <u>33,791,947</u> |
| | 89,200,000 | Republic of South Africa Government International Bond, 5.75%, due 09/30/49 | 84,954,972 | | | Tunisia — 1.7% | |
| | | | <u>98,111,253</u> | | | Foreign Government Agency | |
| | Total South Africa | | <u>119,986,930</u> | | JPY 7,340,000,000 | Banque Centrale de Tunisie SA, 4.30%, due 08/02/30 ^(c) | 55,729,151 |
| | | Sri Lanka — 1.1% | | | JPY 2,500,000,000 | Banque Centrale de Tunisie SA, 4.20%, due 03/17/31 ^(c) | 18,628,546 |
| | | Foreign Government Obligations | | | | Total Tunisia | <u>74,357,697</u> |
| | 9,280,000 | Sri Lanka Government International Bond, Reg S, 6.83%, due 07/18/26 | 8,989,350 | | | Turkey — 5.3% | |
| | 10,844,000 | Sri Lanka Government International Bond, Reg S, 6.20%, due 05/11/27 | 9,880,565 | | | Corporate Debt — 0.0% | |
| | 6,400,000 | Sri Lanka Government International Bond, Reg S, 6.75%, due 04/18/28 | 5,864,096 | | 1,600,000 | Turkiye Sinai Kalkinma Bankasi AS, 144A, 6.00%, due 01/23/25 | 1,554,000 |
| | 26,800,000 | Sri Lanka Government International Bond, 144A, 7.55%, due 03/28/30 | 25,160,242 | | | Foreign Government Agency — 1.3% | |
| | Total Sri Lanka | | <u>49,894,253</u> | | 12,400,000 | Export Credit Bank of Turkey, Reg S, 6.13%, due 05/03/24 | 12,264,375 |
| | | SupraNational — 0.3% | | | 14,750,000 | Petkim Petrokimya Holding AS, Reg S, 5.88%, due 01/26/23 | 14,643,985 |
| | | Foreign Government Agency | | | 13,378,000 | QNB Finansbank AS, Reg S, 6.88%, due 09/07/24 | 13,801,681 |
| TRY | 263,000,000 | International Finance Corp., Zero Coupon, Reg S, due 02/15/29 | 14,123,890 | | 5,000,000 | TC Ziraat Bankasi AS, Reg S, 5.13%, due 09/29/23 | 4,821,875 |
| | | Suriname — 0.6% | | | 11,200,000 | Turkiye Vakiflar Bankasi TAO, Reg S, 5.75%, due 01/30/23 | 11,028,500 |
| | | Foreign Government Obligations | | | | Total Turkey | <u>56,560,416</u> |
| | 14,000,000 | Republic of Suriname, 144A, 9.88%, due 12/30/23 | 13,300,000 | | 24,100,000 | Republic of Turkey, 7.63%, due 04/26/29 | 25,734,281 |
| | 16,178,000 | Republic of Suriname, Reg S, 9.25%, due 10/26/26 | 14,155,750 | | 16,544,000 | Republic of Turkey, 6.75%, due 05/30/40 | 16,011,490 |
| | Total Suriname | | <u>27,455,750</u> | | 59,402,000 | Republic of Turkey, 6.00%, due 01/14/41 | 52,997,722 |
| | | Tajikistan — 0.2% | | | 29,600,000 | Republic of Turkey, 6.63%, due 02/17/45 | 27,888,750 |
| | | Foreign Government Obligations | | | 57,813,000 | Republic of Turkey, 5.75%, due 05/11/47 | 49,285,582 |
| | 10,770,000 | Republic of Tajikistan International Bond, Reg S, 7.13%, due 09/14/27 | 9,003,047 | | | | <u>171,917,825</u> |
| | | Thailand — 0.1% | | | | | <u>230,032,241</u> |
| | | Foreign Government Agency | | | | | |
| | 3,800,000 | PTTEP Treasury Center Co Ltd, 144A, 3.90%, due 12/06/59 | 4,313,000 | | | | |

GMO Emerging Country Debt Fund
(A Series of GMO Trust)
Schedule of Investments — (Continued)
(showing percentage of total net assets)
February 29, 2020

| | Par Value† | Description | Value (\$) | | Par Value† | Description | Value (\$) |
|-----|-------------------|---|--------------------|--|-------------------|---|--------------------|
| | | Ukraine — 2.7% | | | | United States — continued | |
| | | Foreign Government Agency — 0.6% | | | | Asset-Backed Securities — continued | |
| | 8,000,000 | NAK Naftogaz Ukraine via Kondor Finance Plc, 144A, 7.63%, due 11/08/26 | 8,354,000 | | 1,704,321 | Countrywide Home Equity Loan Trust, Series 06-D, Class 2A, XLCA, Variable Rate, 1 mo. LIBOR + 0.20%, 1.86%, due 05/15/36 | 1,628,376 |
| EUR | 3,800,000 | NAK Naftogaz Ukraine via Kondor Finance Plc, Reg S, 7.13%, due 07/19/24 | 4,504,392 | | 9,510,340 | Morgan Stanley IXIS Real Estate Capital Trust, Series 06-2, Class A3, Variable Rate, 1 mo. LIBOR + 0.15%, 1.78%, due 11/25/36 | 4,634,954 |
| | 8,189,000 | Oschadbank Via SSB #1 Plc, Reg S, Step Up, 9.63%, due 03/20/25 | 8,506,324 | | 9,637,144 | Morgan Stanley IXIS Real Estate Capital Trust, Series 06-2, Class A4, Variable Rate, 1 mo. LIBOR + 0.22%, 1.85%, due 11/25/36 | 4,755,721 |
| | 5,100,000 | Ukreximbank Via Biz Finance Plc, Reg S, 9.75%, due 01/22/25 | 5,418,750 | | 5,146,903 | Wamu Asset-Backed Certificates, Series 07-HE2, Class 2A4, Variable Rate, 1 mo. LIBOR + 0.36%, 1.99%, due 04/25/37 | 2,742,461 |
| | | | <u>26,783,466</u> | | | | <u>17,181,398</u> |
| | | Foreign Government Obligations — 2.1% | | | | Corporate Debt — 0.0% | |
| | 3,019,000 | Ukraine Government International Bond, Reg S, 7.75%, due 09/01/21 | 3,177,498 | | 385,402 | AMBAC Assurance Corp., 144A, 5.10%, due 06/07/20 | 570,395 |
| | 6,585,000 | Ukraine Government International Bond, Reg S, 7.75%, due 09/01/23 | 7,118,385 | | 1,515,843 | AMBAC LSNI LLC, 144A, Variable Rate, 3 mo. LIBOR + 5.00%, 6.94%, due 02/12/23 | 1,534,791 |
| | 8,585,000 | Ukraine Government International Bond, Reg S, 7.75%, due 09/01/24 | 9,301,847 | | | | <u>2,105,186</u> |
| | 6,585,000 | Ukraine Government International Bond, Reg S, 7.75%, due 09/01/25 | 7,167,772 | | | U.S. Government — 12.9% | |
| EUR | 3,700,000 | Ukraine Government International Bond, 144A, 6.75%, due 06/20/26 | 4,595,193 | | 10,000,000 | U.S. Treasury Bond, 3.00%, due 02/15/47 | 12,903,125 |
| | 11,019,000 | Ukraine Government International Bond, Reg S, 7.75%, due 09/01/26 | 12,065,805 | | 79,478,700 | U.S. Treasury Inflation Indexed Note, 0.13%, due 01/15/22 ^(d) | 80,011,264 |
| | 3,869,000 | Ukraine Government International Bond, Reg S, 7.75%, due 09/01/27 | 4,226,883 | | 25,000,000 | U.S. Treasury Note, 1.38%, due 10/31/20 | 25,028,320 |
| | 35,900,000 | Ukraine Government International Bond, Reg S, 9.75%, due 11/01/28 | 43,248,281 | | 40,000,000 | U.S. Treasury Note, 1.75%, due 10/31/20 | 40,142,188 |
| | | | <u>90,901,664</u> | | 17,500,000 | U.S. Treasury Note, 1.75%, due 12/31/20 | 17,586,133 |
| | | Total Ukraine | <u>117,685,130</u> | | 38,000,000 | U.S. Treasury Note, 1.38%, due 01/31/21 | 38,092,031 |
| | | United Arab Emirates — 0.9% | | | 15,000,000 | U.S. Treasury Note, 1.13%, due 02/28/21 | 15,007,031 |
| | | Corporate Debt — 0.3% | | | 51,000,000 | U.S. Treasury Note, 1.25%, due 03/31/21 | 51,101,602 |
| | 14,000,000 | DP World Plc, Reg S, 4.70%, due 09/30/49 | 13,720,000 | | 43,000,000 | U.S. Treasury Note, 1.38%, due 05/31/21 | 43,191,484 |
| | | Foreign Government Obligations — 0.6% | | | 35,000,000 | U.S. Treasury Note, 1.13%, due 06/30/21 | 35,050,586 |
| | 26,300,000 | Abu Dhabi Government International Bond, 144A, 3.13%, due 09/30/49 | 26,801,344 | | 25,500,000 | U.S. Treasury Note, 2.25%, due 08/15/49 | 28,985,332 |
| | | Total United Arab Emirates | <u>40,521,344</u> | | 7,000,000 | U.S. Treasury Note, Variable Rate, USBM + 0.04%, 1.55%, due 07/31/20 ^(e) | 7,000,421 |
| | | United States — 13.3% | | | 87,500,000 | U.S. Treasury Note, Variable Rate, USBM + 0.05%, 1.56%, due 10/31/20 | 87,508,230 |
| | | Asset-Backed Securities — 0.4% | | | 78,000,000 | U.S. Treasury Note, Variable Rate, USBM + 0.30%, 1.81%, due 10/31/21 | 78,282,415 |
| | 2,353,107 | Countrywide Home Equity Loan Trust, Series 05-F, Class 2A, AMBAC, Variable Rate, 1 mo. LIBOR + 0.24%, 1.90%, due 12/15/35 | 2,282,561 | | | Total United States | <u>579,176,746</u> |
| | 1,164,880 | Countrywide Home Equity Loan Trust, Series 05-H, Class 2A, FGIC, Variable Rate, 1 mo. LIBOR + 0.24%, 1.90%, due 12/15/35 | 1,137,325 | | | Uruguay — 1.2% | |
| | | | | | 42,218,000 | Foreign Government Obligations | |
| | | | | | | Uruguay Government International Bond, 5.10%, due 06/18/50 | 53,221,066 |

See accompanying notes to the financial statements.

GMO Emerging Country Debt Fund
(A Series of GMO Trust)
Schedule of Investments — (Continued)
(showing percentage of total net assets)
February 29, 2020

| Par Value† | Description | Value (\$) | Par Value† | Description | Value (\$) |
|-------------------|---|-------------------|-------------------|---|-------------------|
| | Uzbekistan — 0.2% | | | LOAN ASSIGNMENTS — 0.3% | |
| | Foreign Government Obligations | | | Chad — 0.2% | |
| 7,200,000 | Republic of Uzbekistan Bond, Reg S, 5.38%, due 02/20/29 | 7,929,000 | 5,772,255 | Glencore UK (Chad) Loan Agreement, Tranche A, Variable Rate, 3 mo. LIBOR + 2.00%, 3.89%, due 09/30/25 ^(c) | 4,914,498 |
| | Venezuela — 1.8% | | 2,974,007 | Glencore UK (Chad) Loan Agreement, Tranche B, Variable Rate, 3 mo. LIBOR + 2.25%, 4.14%, due 12/31/27 ^(c) | 2,246,863 |
| | Foreign Government Agency — 0.7% | | | Total Chad | 7,161,361 |
| 111,465,000 | Electricidad de Caracas Finance BV, Reg S, 8.50%, due 04/10/18 ^{(c) (f)} | 5,015,925 | | Indonesia — 0.0% | |
| 176,000,000 | Petroleos de Venezuela SA, Reg S, 6.00%, due 05/16/24 ^{(c) (f)} | 17,864,000 | EUR 289,697 | Republic of Indonesia, Indonesia Paris Club Debt, 5.10%, due 06/01/21 ^(b) | 307,911 |
| 61,967,000 | Petroleos de Venezuela SA, Reg S, 6.00%, due 11/15/26 ^{(c) (f)} | 6,289,650 | | Kenya — 0.1% | |
| | | 29,169,575 | 6,691,667 | Republic of Kenya Loan Agreement, 9.17%, due 04/10/25 ^(b) | 6,933,242 |
| | Foreign Government Obligations — 1.1% | | | TOTAL LOAN ASSIGNMENTS (COST \$13,997,699) | 14,402,514 |
| 19,028,000 | Venezuela Government International Bond, Reg S, 7.75%, due 10/13/19 ^{(c) (f)} | 2,949,340 | | LOAN PARTICIPATIONS — 1.1% | |
| 36,600,000 | Venezuela Government International Bond, Reg S, 6.00%, due 12/09/20 ^{(c) (f)} | 5,673,000 | | Angola — 0.8% | |
| 23,750,000 | Venezuela Government International Bond, Reg S, 12.75%, due 08/23/22 ^{(c) (f)} | 3,681,250 | 13,900,000 | Republic of Angola Loan Agreement (Participation with Development Bank of Southern Africa), 6 mo. LIBOR + 6.25%, 8.55%, due 12/13/23 ^(c) | 13,761,000 |
| 172,793,000 | Venezuela Government International Bond, Reg S, 9.00%, due 05/07/23 ^{(c) (f)} | 26,782,915 | 5,074,500 | Republic of Angola Loan Agreement (Participation with Development Bank of Southern Africa), 6 mo. LIBOR + 6.25%, 8.55%, due 12/20/23 ^(c) | 5,023,755 |
| 68,700,000 | Venezuela Government International Bond, Reg S, 11.95%, due 08/05/31 ^{(c) (f)} | 10,648,500 | 15,833,333 | Republic of Angola Loan agreement (Participation with GE Capital EFS Financing, Inc), 7.50%, due 08/30/24 ^(c) | 14,645,833 |
| 7,000,000 | Venezuela Government International Bond, 9.38%, due 01/13/34 ^{(c) (f)} | 1,085,000 | | Total Angola | 33,430,588 |
| | | 50,820,005 | | Egypt — 0.0% | |
| | Total Venezuela | 79,989,580 | CHF 27,358 | Paris Club Loan Agreement (Participation with Standard Chartered Bank), Zero Coupon, due 01/03/24 ^(b) | 27,377 |
| | Vietnam — 0.6% | | | Iraq — 0.3% | |
| | Foreign Government Agency — 0.5% | | EUR 895,375 | Republic of Iraq Paris Club Loan Agreement (Participation with Credit Suisse), 4.50%, due 12/30/27 ^(b) | 740,697 |
| 25,105,000 | Debt and Asset Trading Corp., Reg S, 1.00%, due 10/10/25 | 19,730,961 | JPY 128,758,461 | Republic of Iraq Paris Club Loan Agreement (Participation with Deutsche Bank), 2.57%, due 01/01/28 ^(c) | 633,270 |
| | Foreign Government Obligations — 0.1% | | JPY 2,318,433,288 | Republic of Iraq Paris Club Loan Agreement (Participation with Deutsche Bank), 2.57%, due 01/01/28 ^(c) | 11,425,828 |
| 6,498,000 | Socialist Republic of Vietnam, Series 30 Yr, Variable Rate, 6 mo. LIBOR + 0.81%, 2.85%, due 03/13/28 ^(c) | 5,864,445 | JPY 302,926,475 | Republic of Iraq Paris Club Loan Agreement (Participation with Deutsche Bank), 2.57%, due 01/01/28 ^(c) | 1,492,966 |
| | | 25,595,406 | | Total Iraq | 14,292,761 |
| | Zambia — 0.3% | | | | |
| | Foreign Government Obligations | | | | |
| 3,600,000 | Zambia Government International Bond, Reg S, 5.38%, due 09/20/22 | 2,378,250 | | | |
| 17,900,000 | Zambia Government International Bond, Reg S, 8.97%, due 07/30/27 | 11,730,094 | | | |
| | Total Zambia | 14,108,344 | | | |
| | TOTAL DEBT OBLIGATIONS (COST \$4,157,685,146) | 4,089,330,977 | | | |

GMO Emerging Country Debt Fund
(A Series of GMO Trust)
Schedule of Investments — (Continued)
(showing percentage of total net assets)
February 29, 2020

| | Par Value [†] / Shares | Description | Value (\$) |
|-----|------------------------------------|---|------------|
| | | Russia — 0.0% | |
| EUR | 76,893,500 | Russian Foreign Trade Obligations (Participation with GML International Ltd.) ^{(c) (f)} | 3 |
| | | TOTAL LOAN PARTICIPATIONS (COST \$69,199,030) | 47,750,729 |
| | | MUTUAL FUNDS — 1.7% | |
| | | United States — 1.7% | |
| | | Affiliated Issuers — 1.7% | |
| | 14,838,144 | GMO U.S. Treasury Fund | 74,487,484 |
| | | TOTAL MUTUAL FUNDS (COST \$74,296,430) | 74,487,484 |
| | | RIGHTS/WARRANTS — 0.4% | |
| | | Argentina — 0.1% | |
| EUR | 335,089,675 | Republic of Argentina GDP Linked, Variable Rate, Expires 12/15/35 ^(d) | 2,781,335 |
| JPY | 740,189,000 | Republic of Argentina GDP Linked, Variable Rate, Expires 12/15/35 ^{(c) (d)} | 451,665 |
| | | Total Argentina | 3,233,000 |
| | | Nigeria — 0.0% | |
| | 28,000 | Central Bank of Nigeria Oil Warrants, Reg S, Variable Rate, Expires 11/15/20 ^{(c) (d)} | 550,667 |
| | | Ukraine — 0.3% | |
| | 14,446,000 | Government of Ukraine GDP Linked, Reg S, Variable Rate, Expires 05/31/40 ^(d) | 14,310,569 |
| | | Uruguay — 0.0% | |
| | 4,000,000 | Banco Central Del Uruguay Value Recovery Rights, Variable Rate, Expires 01/02/21 ^{(b) (d)} | — |
| | | Venezuela — 0.0% | |
| | 1,080,062 | Republic of Venezuela Oil Warrants Expires 04/15/20 ^{(c) (d) (f)} | 1,080,062 |
| | | TOTAL RIGHTS/WARRANTS (COST \$55,515,265) | 19,174,298 |

| | Shares | Description | Value (\$) |
|--|-----------|---|------------------------|
| | | SHORT-TERM INVESTMENTS — 0.1% | |
| | | Money Market Funds | |
| | 4,182,862 | State Street Institutional Treasury Money Market Fund – Premier Class, 1.50% ^(g) | 4,182,862 |
| | | TOTAL SHORT-TERM INVESTMENTS (COST \$4,182,862) | 4,182,862 |
| | | TOTAL INVESTMENTS — 97.6% (Cost \$4,374,876,432) | 4,249,328,864 |
| | | Other Assets and Liabilities (net) — 2.4% | 103,713,634 |
| | | TOTAL NET ASSETS — 100.0% | \$4,353,042,498 |

A summary of outstanding financial instruments at February 29, 2020 is as follows:

Forward Currency Contracts

| Settlement Date | Counter-party | Currency Sold | Currency Purchased | Net Unrealized Appreciation (Depreciation) (\$) |
|-----------------|---------------|-----------------|--------------------|---|
| 04/17/2020 | MSCI | EUR 12,861,600 | USD 14,334,329 | 97,227 |
| 04/17/2020 | MSCI | GBP 57,311,000 | USD 74,763,059 | 1,193,719 |
| 04/16/2020 | MSCI | TRY 106,000,000 | USD 17,558,969 | 901,808 |
| 04/17/2020 | BOA | USD 13,718,864 | JPY 1,500,000,000 | 221,131 |
| | | | | \$2,413,885 |

Reverse Repurchase Agreements

| | |
|-----------------------------|----------------|
| Average balance outstanding | \$(24,440,856) |
| Average interest rate (net) | (1.96)% |
| Maximum balance outstanding | \$(69,681,984) |

Average balance outstanding was calculated based on daily face value balances outstanding during the period that the Fund had entered into reverse repurchase agreements. Average interest rate was calculated based on interest received and/or paid during the period that the Fund had entered into the reverse repurchase agreements. The Fund had no reverse repurchase agreements at the end of the year.

GMO Emerging Country Debt Fund
(A Series of GMO Trust)

Schedule of Investments — (Continued)
February 29, 2020

Credit Linked Options

| | Principal / Notional Amount | Expiration Date | Description | Premiums Paid/ (Received) (\$) | Value (\$) |
|----------|--|----------------------------|---|---|--------------------|
| Put Sold | USD 24,000,000 | 03/10/2020 | Lebanon Gap Credit Linked Put Option, Fund receives premium of 0.50% (OTC) (CP-DB) ^(b) | (361,333) | (3,000) |
| Put Sold | USD 45,000,000 | 01/20/2021 | Republic of Philippines Credit Linked Put Option, Fund receives premium of 0.25% (OTC) (CP-DB) ^(b) | (644,688) | 113,306 |
| Put Sold | USD 46,000,000 | 04/13/2021 | Lebanon Gap Credit Linked Put Option, Fund receives premium of 0.50% (OTC) (CP-DB) ^(b) | (947,472) | (57,500) |
| Put Sold | USD 9,746,000 | 01/24/2024 | Republic of Philippines Credit Linked Put Option, Fund receives premium of 0.25% (OTC) (CP-DB) ^(b) | (51,004) | 96,921 |
| Put Sold | USD 50,797,000 | 04/15/2024 | Banco do Brasil Credit Linked Put Option, Fund receives premium of 0.30% (OTC) (CP-DB) ^(b) | (939,762) | 477,153 |
| Put Sold | USD 100,000,000 | 04/15/2024 | Banco do Brasil Credit Linked Put Option, Fund receives premium of 0.44% (OTC) (CP-DB) ^(b) | (3,268,222) | 409,289 |
| | | | | <u>\$(6,212,481)</u> | <u>\$1,036,169</u> |

Swap Contracts

Centrally Cleared Credit Default Swaps

| Reference Entity | Notional Amount | Annual Premium | Implied Credit Spread ⁽¹⁾ | Maximum Potential Amount of Future Payments by the Fund Under the Contract ⁽²⁾ | Expiration Date | Periodic Payment Frequency | Premiums Paid/ (Received) (\$) | Value (\$) | Net Unrealized Appreciation/ (Depreciation) (\$) |
|--|------------------------|-----------------------|---|--|------------------------|-----------------------------------|---------------------------------------|---------------------|---|
| Buy Protection[^]: CDX-EMS.31.V1-5Y | USD 199,000,000 | 1.00% | 2.33% | N/A | 06/20/2024 | Quarterly | <u>\$6,218,750</u> | <u>\$10,514,165</u> | <u>\$4,295,415</u> |

OTC Credit Default Swaps

| Reference Entity | Counter-party | Notional Amount | Annual Premium | Implied Credit Spread ⁽¹⁾ | Maximum Potential Amount of Future Payments by the Fund Under the Contract ⁽²⁾ | Expiration Date | Periodic Payment Frequency | Premiums Paid/ (Received) (\$) | Value (\$) | Net Unrealized Appreciation/ (Depreciation) (\$) |
|------------------------------------|----------------------|------------------------|-----------------------|---|--|------------------------|-----------------------------------|---------------------------------------|-------------------|---|
| Buy Protection[^]: | | | | | | | | | | |
| Commonwealth of Bahamas | DB | EUR 51,746,000 | 1.00% | 0.73% | N/A | 12/20/2020 | Quarterly | 7,730,397 | (131,755) | (7,862,152) |
| Commonwealth of Bahamas | DB | EUR 44,558,436 | 1.00% | 1.72% | N/A | 06/20/2025 | Quarterly | 6,171,081 | 1,141,937 | (5,029,144) |
| Petrobras Global Finance BV | CITI | USD 53,000,000 | 1.00% | 1.50% | N/A | 06/20/2024 | Quarterly | 2,755,224 | 1,083,247 | (1,671,977) |
| Republic of Argentina | BOA | USD 2,500,000 | 5.00% | 49.51% | N/A | 06/20/2024 | Quarterly | 359,815 | 1,567,259 | 1,207,444 |
| Republic of Argentina | CITI | USD 10,000,000 | 5.00% | 49.51% | N/A | 06/20/2024 | Quarterly | 1,476,727 | 6,269,035 | 4,792,308 |
| Republic of Ecuador | CSI | USD 7,500,000 | 5.00% | 16.47% | N/A | 12/20/2020 | Quarterly | 487,500 | 642,386 | 154,886 |
| Republic of Lebanon | BOA | USD 7,500,000 | 1.00% | 193.51% | N/A | 12/20/2024 | Quarterly | 3,450,000 | 5,756,826 | 2,306,826 |
| Republic of Lebanon | BOA | USD 3,750,000 | 1.00% | 193.51% | N/A | 12/20/2024 | Quarterly | 1,725,000 | 2,878,413 | 1,153,413 |
| Republic of Lebanon | BOA | USD 3,750,000 | 1.00% | 193.51% | N/A | 12/20/2024 | Quarterly | 1,715,625 | 2,878,413 | 1,162,788 |
| Republic of South Africa | GS | USD 7,400,000 | 1.00% | 1.29% | N/A | 12/20/2021 | Quarterly | 13,728 | 38,727 | 24,999 |
| Republic of South Africa | GS | USD 15,000,000 | 1.00% | 1.29% | N/A | 12/20/2021 | Quarterly | (13,866) | 78,500 | 92,366 |
| Republic of South Africa | BCLY | USD 19,000,000 | 1.00% | 2.19% | N/A | 12/20/2024 | Quarterly | 768,102 | 997,608 | 229,506 |
| Republic of South Africa | GS | USD 19,000,000 | 1.00% | 2.19% | N/A | 12/20/2024 | Quarterly | 774,755 | 997,608 | 222,853 |
| Republic of Turkey | GS | USD 19,000,000 | 1.00% | 3.80% | N/A | 12/20/2024 | Quarterly | 1,209,115 | 2,241,192 | 1,032,077 |
| United States of Mexico | GS | USD 20,000,000 | 1.00% | 1.78% | N/A | 06/20/2029 | Quarterly | 1,589,641 | 1,253,490 | (336,151) |
| United States of Mexico | GS | USD 20,000,000 | 1.00% | 1.92% | N/A | 09/20/2031 | Quarterly | 2,640,655 | 1,745,752 | (894,903) |

GMO Emerging Country Debt Fund
(A Series of GMO Trust)

Schedule of Investments — (Continued)
February 29, 2020

OTC Credit Default Swaps — (Continued)

| Reference Entity | Counter-party | Notional Amount | Annual Premium | Implied Credit Spread ⁽¹⁾ | Maximum Potential Amount of Future Payments by the Fund Under the Contract ⁽²⁾ | Expiration Date | Periodic Payment Frequency | Premiums Paid/ (Received) (\$) | Value (\$) | Net Unrealized Appreciation/ (Depreciation) (\$) |
|-------------------------------------|---------------|-----------------|----------------|--------------------------------------|---|-----------------|----------------------------|--------------------------------|---------------------|--|
| Sell Protection[^]: | | | | | | | | | | |
| Commonwealth of Bahamas | DB | USD 61,270,000 | 1.00% | 0.73% | 61,270,000 USD | 12/20/2020 | Quarterly | (7,515,364) | 140,055 | 7,655,419 |
| Commonwealth of Bahamas | DB | USD 3,487,000 | 1.00% | 1.63% | 3,487,000 USD | 06/20/2023 | Quarterly | (641,463) | (67,580) | 573,883 |
| Commonwealth of Bahamas | DB | USD 6,975,000 | 1.00% | 1.63% | 6,975,000 USD | 06/20/2023 | Quarterly | (1,263,915) | (135,180) | 1,128,735 |
| Commonwealth of Bahamas | DB | USD 59,796,571 | 1.00% | 1.72% | 59,796,571 USD | 06/20/2025 | Quarterly | (6,983,424) | (1,338,263) | 5,645,161 |
| Republic of Brazil | JPM | USD 10,000,000 | 1.00% | 2.23% | 10,000,000 USD | 03/20/2030 | Quarterly | (1,418,590) | (1,026,326) | 392,264 |
| Republic of Malaysia | CITI | USD 17,200,000 | 1.00% | 0.99% | 17,200,000 USD | 12/20/2028 | Quarterly | (845,599) | 19,659 | 865,258 |
| Russia | GS | USD 2,436,000 | 1.00% | 1.08% | 2,436,000 USD | 12/20/2025 | Quarterly | (238,041) | (10,954) | 227,087 |
| Russia | GS | USD 8,487,000 | 1.00% | 1.21% | 8,487,000 USD | 12/20/2026 | Quarterly | (1,059,663) | (114,326) | 945,337 |
| | | | | | | | | <u>\$12,887,440</u> | <u>\$26,905,723</u> | <u>\$14,018,283</u> |

[^] Buy Protection - Fund pays a premium and buys credit protection. If a credit event occurs the Fund will, depending on the terms of the particular swap contract, either (i) receive from the seller of protection an amount equal to the notional amount of the swap and deliver the referenced obligation or underlying securities comprising the referenced index or (ii) receive a net settlement amount in the form of cash or securities equal to the notional amount of the swap less the recovery value of the referenced obligation or underlying securities comprising the referenced index.

Sell Protection - Fund receives a premium and sells credit protection. If a credit event occurs the Fund will, depending on the terms of the particular swap contract, either (i) pay to the buyer of protection an amount equal to the notional amount of the swap and take delivery of the referenced obligation or underlying securities comprising the referenced index or (ii) pay a net settlement amount in the form of cash or securities equal to the notional amount of the swap less the recovery value of the referenced obligation or underlying securities comprising the referenced index.

⁽¹⁾ As of February 29, 2020, implied credit spreads in absolute terms, calculated using a model, and utilized in determining the market value of credit default swap contracts on the reference security, serve as an indicator of the current status of the payment/performance risk and reflect the likelihood or risk of default for the reference entity. The implied credit spread of a particular referenced entity reflects the cost of buying/selling protection. Wider (i.e. higher) credit spreads represent a deterioration of the referenced entity's credit soundness and a greater likelihood or risk of default or other credit event occurring as defined under the terms of the contract.

⁽²⁾ The maximum potential amount the Fund could be required to pay as a seller of credit protection if a credit event occurs as defined under the terms of that particular swap contract.

OTC Cross-Currency Basis Swaps

| Fund Pays | Fund Receives | Counterparty | Notional Amount | Expiration Date | Periodic Payment Frequency | Premiums Paid/ (Received) (\$) | Value (\$) | Net Unrealized Appreciation/ (Depreciation) (\$) |
|--|-------------------|--------------|-----------------|-----------------|----------------------------|--------------------------------|------------------|--|
| 3 Month EURIBOR plus a spread of (0.35)% | 3 Month USD LIBOR | JPM | EUR 122,436,000 | 09/11/2020 | Quarterly | <u>\$—</u> | <u>\$590,334</u> | <u>\$590,334</u> |

OTC Cross-Currency Interest Rate Swaps

| Fund Pays | Fund Receives | Counterparty | Notional Amount | Expiration Date | Periodic Payment Frequency | Premiums Paid/ (Received) (\$) | Value (\$) | Net Unrealized Appreciation/ (Depreciation) (\$) |
|-----------|-------------------|--------------|--------------------|-----------------|----------------------------|--------------------------------|----------------------|--|
| (0.22)% | 3 Month USD LIBOR | GS | JPY 14,852,761,000 | 04/28/2025 | Quarterly | <u>\$—</u> | <u>\$(5,756,010)</u> | <u>\$(5,756,010)</u> |

Centrally Cleared Interest Rate Swaps

| Fund Pays | Fund Receives | Notional Amount | Expiration Date | Periodic Payment Frequency | Premiums Paid/ (Received) (\$) | Value (\$) | Net Unrealized Appreciation/ (Depreciation) (\$) |
|-----------|-------------------|-----------------|-----------------|----------------------------|--------------------------------|----------------------|--|
| 0.74% | 6 Month GBP LIBOR | GBP 28,500,000 | 12/15/2049 | Semi-Annual | (196,553) | (225,692) | (29,139) |
| 0.53% | 6 Month EURIBOR | EUR 30,000,000 | 01/24/2050 | Semi-Annual | (29,167) | (4,010,647) | (3,981,480) |
| | | | | | <u>\$(225,720)</u> | <u>\$(4,236,339)</u> | <u>\$(4,010,619)</u> |

GMO Emerging Country Debt Fund
(A Series of GMO Trust)

Schedule of Investments — (Continued)
February 29, 2020

OTC Total Return Swaps

| <u>Fund Pays</u> | <u>Fund Receives</u> | <u>Counterparty</u> | <u>Notional Amount</u> | <u>Expiration Date</u> | <u>Periodic Payment Frequency</u> | <u>Premiums Paid/(Received) (\$)</u> | <u>Value (\$)</u> | <u>Net Unrealized Appreciation/(Depreciation)</u> |
|---|---|---------------------|------------------------|------------------------|-----------------------------------|--------------------------------------|-------------------|---|
| Total Return on JPEICORE Index Short Swap | 3 Month USD LIBOR plus a spread of (0.05)% | JPM | USD 8,999,999 | 04/22/2020 | Monthly | \$— | \$71,694 | \$71,694 |

As of February 29, 2020, for the above contracts and/or agreements, the Fund had sufficient cash and/or securities to cover commitments or collateral requirements, if any, of the relevant broker or exchange.

Notes to Schedule of Investments:

† Denominated in U.S. Dollar, unless otherwise indicated.

- (a) Security is backed by U.S. Treasury Bonds.
- (b) Investment valued at fair value using methods determined in good faith by the Trustees of GMO Trust or persons acting at their direction pursuant to procedures approved by the Trustees. Investment valued using significant unobservable inputs (Note 2).
- (c) Investment valued using significant unobservable inputs (Note 2).
- (d) Indexed security in which price and/or coupon is linked to the price of a specific instrument or financial statistic (Note 2).

- (e) All or a portion of this security has been pledged to cover margin requirements on futures and/or cleared swap contracts, collateral on OTC swap contracts, forward currency contracts, and/or written options, if any (Note 4).
- (f) Security is in default.
- (g) The rate disclosed is the 7 day net yield as of February 29, 2020.

For a listing of definitions of acronyms, counterparty abbreviations and currency abbreviations used throughout the Schedule of Investments as well as the derivative tables, if any, please refer to page 56.

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GMO High Yield Fund **(A Series of GMO Trust)**

Portfolio Management

Day-to-day management of the Fund's portfolio is the responsibility of the Structured Products team at Grantham, Mayo, Van Otterloo & Co. LLC.

Management Discussion and Analysis of Fund Performance

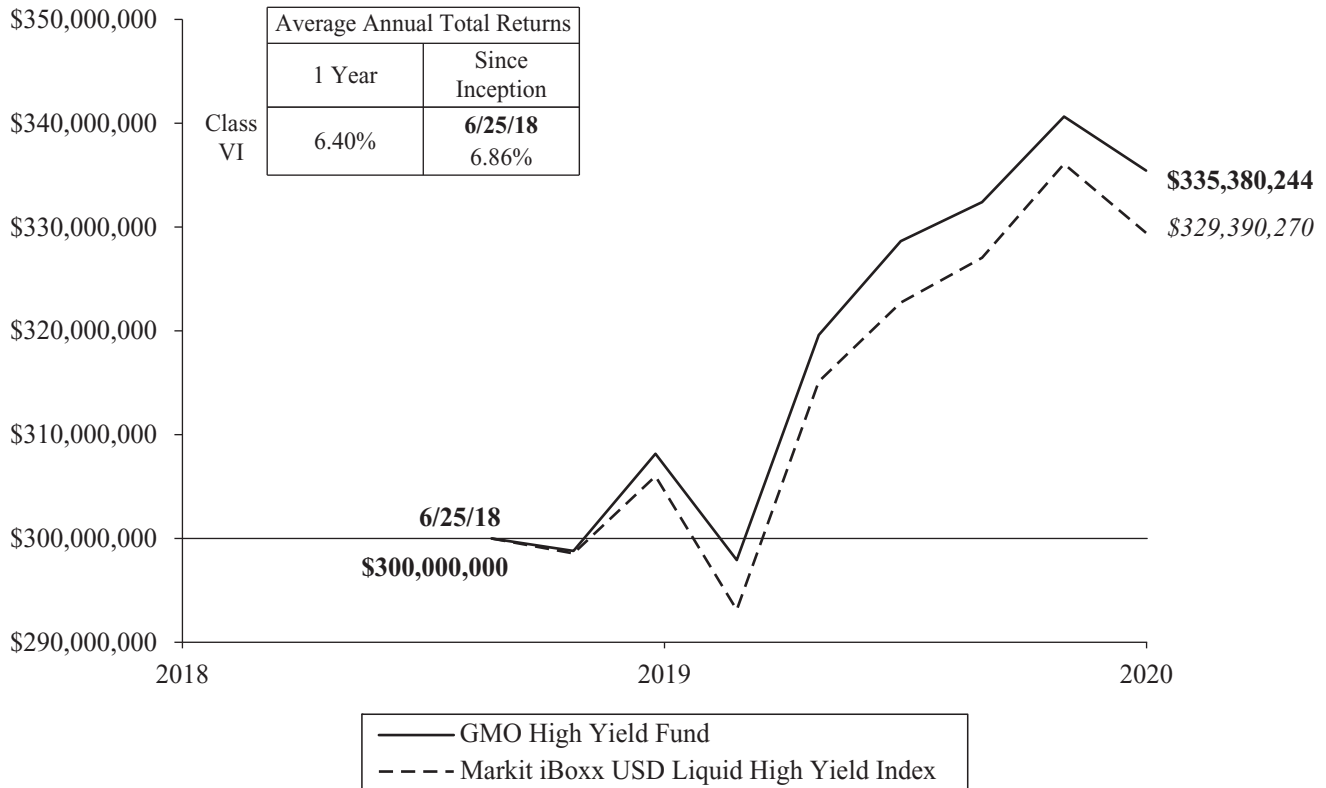
Class VI shares of GMO High Yield Fund returned +6.40% (net) for the fiscal year ended February 29, 2020, as compared with +5.54% for the Markit iBoxx USD Liquid High Yield Index.

The Fund was invested in a mix of index portfolio products as well as cash high yield bonds. During the fiscal year, the Fund moved exposures between different products based on changes in the model's alpha signals as well as other factors. Absolute performance was driven by high yield-based ETFs and credit default swaps, which were top contributors for the period. BB-rated and short-dated B-CCC bonds also contributed positively during the period, as did fallen angel bonds (bonds originally issued as investment grade that have since been downgraded to below investment grade).

The views expressed herein are exclusively those of Grantham, Mayo, Van Otterloo & Co. LLC as of the date of this report and are subject to change. GMO disclaims any responsibility to update such views. They are not meant as investment advice. References to specific securities are not recommendations of such securities and may not be representative of any GMO portfolio's current or future investments. All information is unaudited.

GMO High Yield Fund
(A Series of GMO Trust)

**Comparison of Change in Value of a \$300,000,000 Investment in
GMO High Yield Fund Class VI Shares and the Markit iBoxx USD Liquid High Yield Index
As of February 29, 2020**



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 up to the most recent month-end, visit www.gmo.com. Performance shown is net of all fees after reimbursement from GMO. Returns would have been lower had certain expenses not been reimbursed during the periods shown and do not include the effect of taxes on distributions and redemptions. The performance information shown above only includes purchase premiums and/or redemption fees in effect as of February 29, 2020. All information is unaudited.

GMO High Yield Fund
(A Series of GMO Trust)
Investment Concentration Summary
February 29, 2020 (Unaudited)

| Asset Class Summary^{&} | % of Total Net Assets |
|--|------------------------------|
| Investment Funds | 39.0% |
| Short-Term Investments | 30.9 |
| Debt Obligations | 29.8 |
| Swap Contracts | 0.4 |
| Mutual Funds | 0.2 |
| Futures Contracts | 0.0 [^] |
| Forward Currency Contracts | (0.4) |
| Reverse Repurchase Agreements | (0.4) |
| Other | 0.5 |
| | 100.0% |

| Industry Group Summary[⊠] | % of Investments |
|---|-------------------------|
| Communications | 22.8% |
| Consumer Cyclical | 16.3 |
| Consumer Non-Cyclical | 13.2 |
| Energy | 9.8 |
| Capital Goods | 7.1 |
| Technology | 6.7 |
| Basic Industry | 5.9 |
| Finance Companies | 4.8 |
| Electric | 2.6 |
| Insurance | 2.1 |
| Industrial Other | 1.9 |
| REITS | 1.8 |
| Banking | 1.2 |
| Transportation | 1.1 |
| Brokerage – Asset Management | 0.1 |
| | 97.4% |

& In the table, derivative financial instruments, if any, are based on market values, rather than the notional amounts of derivatives, except for forward currency contracts which are based on unrealized appreciation/(depreciation).

⊠ The table excludes short-term investments and mutual funds, if any. The table includes exposure through the use of certain derivative financial instruments and excludes exposures through certain currency linked derivatives such as forward currency contracts. The table takes in account the market values of securities and the notional amounts of swaps. The table is not normalized, thus the table may not total to 100%.

[^] Rounds to 0.0%.

GMO High Yield Fund
(A Series of GMO Trust)
Schedule of Investments
(showing percentage of total net assets)
February 29, 2020

| Par Value† / Shares | Description | Value (\$) | Par Value† / Shares | Description | Value (\$) |
|------------------------|---|------------|------------------------|--|------------|
| | DEBT OBLIGATIONS — 29.8% | | | United States — continued | |
| | Australia — 0.3% | | | Corporate Debt — continued | |
| | Corporate Debt — 0.3% | | 375,000 | CDK Global, Inc., 144A, 5.25%, due 05/15/29 | 399,844 |
| 500,000 | Virgin Australia Holdings Ltd, 144A, 7.88%, due 10/15/21 | 463,750 | 625,000 | CEC Entertainment, Inc., 8.00%, due 02/15/22 | 606,250 |
| | Canada — 0.8% | | 1,250,000 | Century Aluminum Co., 144A, 7.50%, due 06/01/21 | 1,240,625 |
| | Corporate Debt — 0.8% | | 625,000 | CF Industries, Inc., 4.95%, due 06/01/43 | 663,000 |
| 404,000 | Quebecor Media, Inc., 5.75%, due 01/15/23 | 428,442 | 750,000 | Clean Harbors, Inc., 144A, 4.88%, due 07/15/27 | 783,525 |
| 375,000 | Taseko Mines Ltd, 144A, 8.75%, due 06/15/22 | 337,500 | 875,000 | CSC Holdings LLC, 6.75%, due 11/15/21 | 925,767 |
| 500,000 | Tervita Corp., 144A, 7.63%, due 12/01/21 | 505,000 | 825,000 | Denbury Resources, Inc., 144A, 9.00%, due 05/15/21 | 721,875 |
| | Total Canada | 1,270,942 | 375,000 | Diamond Sports Group LLC / Diamond Sports Finance Co., 144A, 5.38%, due 08/15/26 | 345,758 |
| | Finland — 0.2% | | 625,000 | DISH DBS Corp., 5.88%, due 07/15/22 | 652,156 |
| | Corporate Debt — 0.2% | | 1,125,000 | DPL, Inc., 7.25%, due 10/15/21 | 1,164,375 |
| 375,000 | Nokia Oyj, 4.38%, due 06/12/27 | 395,561 | 250,000 | Edgewell Personal Care Co., 4.70%, due 05/24/22 | 255,970 |
| | Italy — 1.8% | | 750,000 | EnLink Midstream Partners LP, 4.40%, due 04/01/24 | 684,548 |
| | Corporate Debt — 1.8% | | 1,000,000 | EnLink Midstream Partners LP, 4.15%, due 06/01/25 | 845,200 |
| 1,375,000 | Intesa Sanpaolo SpA, 144A, 5.02%, due 06/26/24 | 1,447,719 | 1,375,000 | EQM Midstream Partners LP, 4.75%, due 07/15/23 | 1,265,000 |
| 1,375,000 | Telecom Italia SpA, 144A, 5.30%, due 05/30/24 | 1,467,812 | 875,000 | Ferrellgas LP/Ferrellgas Finance Corp., 6.50%, due 05/01/21 ^(a) | 752,500 |
| | Total Italy | 2,915,531 | 875,000 | Fidelity & Guaranty Life Holdings, Inc., 144A, 5.50%, due 05/01/25 | 971,250 |
| | Luxembourg — 0.3% | | 750,000 | Fortress Transportation & Infrastructure Investors LLC, 144A, 6.75%, due 03/15/22 | 751,515 |
| | Corporate Debt — 0.3% | | 375,000 | Genworth Holdings, Inc., 7.20%, due 02/15/21 | 378,750 |
| 375,000 | Intelsat Jackson Holdings SA, 144A, 9.50%, due 09/30/22 | 424,688 | 1,125,000 | Goodyear Tire & Rubber Co. (The), 5.00%, due 05/31/26 | 1,106,775 |
| | New Zealand — 0.4% | | 1,000,000 | Graphic Packaging International LLC, 144A, 4.75%, due 07/15/27 | 1,090,000 |
| | Corporate Debt — 0.4% | | 250,000 | HC2 Holdings, Inc., 144A, 11.50%, due 12/01/21 | 252,500 |
| 750,000 | Trilogy International Partners LLC / Trilogy International Finance, Inc., 144A, 8.88%, due 05/01/22 | 693,282 | 750,000 | Hecla Mining Co., 6.88%, due 05/01/21 | 751,650 |
| | United States — 26.0% | | 250,000 | Hillman Group, Inc. (The), 144A, 6.38%, due 07/15/22 | 224,219 |
| | Corporate Debt — 24.1% | | 375,000 | Hughes Satellite Systems Corp., 5.25%, due 08/01/26 | 411,094 |
| 375,000 | Acadia Healthcare Co., Inc., 6.13%, due 03/15/21 | 375,938 | 875,000 | Lee Enterprises, Inc., 144A, 9.50%, due 03/15/22 | 876,094 |
| 750,000 | ADT Security Corp. (The), 4.13%, due 06/15/23 | 764,531 | 1,000,000 | Mack-Cali Realty LP, REIT, 4.50%, due 04/18/22 | 1,030,529 |
| 875,000 | Alcoa Nederland Holding BV, 144A, 6.13%, due 05/15/28 | 898,012 | 250,000 | Midas Intermediate Holdco II LLC / Midas Intermediate Holdco II Finance, Inc., 144A, 7.88%, due 10/01/22 | 240,157 |
| 750,000 | Ascent Resources Utica Holdings LLC / ARU Finance Corp., 144A, 10.00%, due 04/01/22 | 639,165 | 750,000 | Navient Corp., 5.50%, due 01/25/23 | 766,875 |
| 750,000 | Brinker International, Inc., 144A, 5.00%, due 10/01/24 | 782,250 | 1,595,000 | Netflix, Inc., 5.88%, due 02/15/25 | 1,792,381 |
| 250,000 | Cablevision Systems Corp., 5.88%, due 09/15/22 | 262,538 | | | |

See accompanying notes to the financial statements.

GMO High Yield Fund
(A Series of GMO Trust)
Schedule of Investments — (Continued)
(showing percentage of total net assets)
February 29, 2020

| Par Value† / Shares | Description | Value (\$) | Par Value† / Shares | Description | Value (\$) |
|------------------------|---|------------|------------------------|---|----------------------|
| | United States — continued | | | INVESTMENT FUNDS — 39.0% | |
| | Corporate Debt — continued | | | United States — 39.0% | |
| 500,000 | Nielsen Finance LLC / Nielsen Finance Co., 144A, 5.00%, due 04/15/22 | 497,500 | 730,870 | iShares iBoxx \$ High Yield Corporate Bond ETF | 62,884,055 |
| 375,000 | NuStar Logistics LP, 6.75%, due 02/01/21 | 382,538 | | | |
| 750,000 | NuStar Logistics LP, 5.63%, due 04/28/27 | 765,150 | | | |
| 202,000 | Ortho-Clinical Diagnostics, Inc. / Ortho-Clinical Diagnostics SA, 144A, 6.63%, due 05/15/22 | 200,424 | | TOTAL INVESTMENT FUNDS (COST \$63,587,532) | 62,884,055 |
| 750,000 | Owens-Brockway Glass Container, Inc., 144A, 5.00%, due 01/15/22 | 772,500 | | MUTUAL FUNDS — 0.2% | |
| 689,000 | Pitney Bowes, Inc., 5.20%, due 04/01/23 | 689,000 | | United States — 0.2% | |
| 1,250,000 | Prime Security Services Borrower LLC / Prime Finance, Inc., 144A, 5.25%, due 04/15/24 | 1,293,750 | 76,729 | Affiliated Issuers — 0.2% | |
| 825,000 | Pyxus International, Inc., 144A, 8.50%, due 04/15/21 | 789,938 | | GMO U.S. Treasury Fund | 385,180 |
| 375,000 | QEP Resources, Inc., 5.25%, due 05/01/23 | 331,950 | | TOTAL MUTUAL FUNDS (COST \$385,180) | 385,180 |
| 500,000 | RR Donnelley & Sons Co., 7.88%, due 03/15/21 | 514,375 | | SHORT-TERM INVESTMENTS — 30.9% | |
| 1,125,000 | Sealed Air Corp., 144A, 5.13%, due 12/01/24 | 1,206,562 | | Foreign Government Obligations — 22.6% | |
| 375,000 | Senior Housing Properties Trust, REIT, 4.75%, due 02/15/28 | 392,810 | JPY 1,396,000,000 | Japan Treasury Discount Bill, Zero Coupon, due 04/06/20 | 12,944,132 |
| 375,000 | Sensata Technologies BV, 144A, 5.00%, due 10/01/25 | 394,725 | JPY 1,088,000,000 | Japan Treasury Discount Bill, Zero Coupon, due 04/13/20 | 10,088,531 |
| 875,000 | TerraForm Power Operating LLC, 144A, 4.25%, due 01/31/23 | 889,236 | JPY 1,450,000,000 | Japan Treasury Discount Bill, Zero Coupon, due 05/18/20 | 13,447,361 |
| 500,000 | Trinity Industries, Inc., 4.55%, due 10/01/24 | 524,183 | | Total Foreign Government Obligations | 36,480,024 |
| 875,000 | United Airlines Holdings, Inc., 4.88%, due 01/15/25 | 879,375 | | Money Market Funds — 5.4% | |
| 625,000 | Urban One, Inc., 144A, 7.38%, due 04/15/22 | 620,313 | 8,784,771 | State Street Institutional Treasury Money Market Fund-Premier Class, 1.50% ^(c) | 8,784,771 |
| 125,000 | Vertiv Intermediate Holding Corp., 144A, 12.00%, due 02/15/22 | 128,750 | | U.S. Government — 2.9% | |
| 1,125,000 | Wyndham Destinations, Inc., 5.40%, due 04/01/24 | 1,206,562 | 4,000,000 | U.S. Treasury Bill, 1.35%, due 04/07/20 ^(d) | 3,994,389 |
| 750,000 | Xerox Corp., 4.13%, due 03/15/23 | 765,015 | 677,000 | U.S. Treasury Bill, 1.32%, due 04/21/20 ^(d) | 675,729 |
| | Total Corporate Debt | 38,917,272 | | Total U.S. Government | 4,670,118 |
| | | | | TOTAL SHORT-TERM INVESTMENTS (COST \$49,134,529) | 49,934,913 |
| | U.S. Government — 1.9% | | | TOTAL INVESTMENTS — 99.9% | |
| 2,900,000 | U.S. Treasury Note, 1.13%, due 04/30/20 | 2,898,497 | | (Cost \$161,196,552) | 161,333,673 |
| 150,000 | U.S. Treasury Note, Variable Rate, USBM + 0.03%, 1.54%, due 04/30/20 ^(b) | 150,002 | | Other Assets and Liabilities (net) — 0.1% | 115,807 |
| | Total U.S. Government | 3,048,499 | | TOTAL NET ASSETS — 100.0% | \$161,449,480 |
| | Total United States | 41,965,771 | | | |
| | TOTAL DEBT OBLIGATIONS (COST \$48,089,311) | 48,129,525 | | | |

GMO High Yield Fund
(A Series of GMO Trust)

Schedule of Investments — (Continued)
February 29, 2020

A summary of outstanding financial instruments at February 29, 2020 is as follows:

Forward Currency Contracts

| Settlement Date | Counter-party | Currency Sold | Currency Purchased | Net Unrealized Appreciation (Depreciation) (\$) |
|-----------------|---------------|-------------------|--------------------|---|
| 04/06/2020 | GS | JPY 1,731,000,000 | USD 16,005,089 | (73,307) |
| 04/13/2020 | JPM | JPY 544,000,000 | USD 4,985,676 | (68,940) |
| 04/13/2020 | MSCI | JPY 544,000,000 | USD 4,986,746 | (67,870) |
| 05/18/2020 | GS | JPY 1,450,000,000 | USD 13,011,229 | (483,540) |
| 04/06/2020 | CITI | USD 3,037,681 | JPY 335,000,000 | 73,968 |
| | | | | <u>\$(619,689)</u> |

Futures Contracts

| Number of Contracts + | Type | Expiration Date | Notional Amount (\$) | Value/Net Unrealized Appreciation (Depreciation) (\$) |
|-----------------------|---------------------------------|-----------------|----------------------|---|
| 18 | U.S. Treasury Note 2 Yr. (CBT) | June 2020 | 3,929,906 | 18,869 |
| 14 | U.S. Treasury Note 5 Yr. (CBT) | June 2020 | 1,718,500 | 15,409 |
| 18 | U.S. Treasury Note 10 Yr. (CBT) | June 2020 | 2,425,500 | 37,354 |
| | | | <u>\$8,073,906</u> | <u>\$71,632</u> |

+ Buys - Fund is long the futures contract.
Sales - Fund is short the futures contract.

Reverse Repurchase Agreements^(e)

| Face Value | Description | Value (\$) |
|---------------|--|---------------------|
| USD (674,715) | Barclays Bank PLC, 0.75%, dated 10/31/19 (collateral: Ferrellgas LP/Ferrellgas Finance Corp., 6.50%, due 05/01/21), to be repurchased on demand at face value plus accrued interest. | <u>(674,715)</u> |
| | | <u>\$ (674,715)</u> |
| | Average balance outstanding | \$(2,566,312) |
| | Average interest rate (net) | 0.93% |
| | Maximum balance outstanding | \$(5,660,174) |

Average balance outstanding was calculated based on daily face value balances outstanding during the period that the Fund had entered into reverse repurchase agreements. Average interest rate was calculated based on interest received and/or paid during the period that the Fund had entered into the reverse repurchase agreements.

Swap Contracts

Centrally Cleared Credit Default Swaps

| Reference Entity | Notional Amount | Annual Premium | Implied Credit Spread ⁽¹⁾ | Maximum Potential Amount of Future Payments by the Fund Under the Contract ⁽²⁾ | Expiration Date | Periodic Payment Frequency | Premiums Paid/ (Received) (\$) | Value (\$) | Net Unrealized Appreciation/ (Depreciation) (\$) |
|-------------------------------------|-----------------|----------------|--------------------------------------|---|-----------------|----------------------------|--------------------------------|------------------|--|
| Sell Protection[^]: | | | | | | | | | |
| CDX.NA.HYS.33.V2-5Y | USD 14,826,240 | 5.00% | 3.71% | 14,826,240 USD | 12/20/2024 | Quarterly | <u>\$984,091</u> | <u>\$801,610</u> | <u>\$(182,481)</u> |

[^] Buy Protection - Fund pays a premium and buys credit protection. If a credit event occurs the Fund will, depending on the terms of the particular swap contract, either (i) receive from the seller of protection an amount equal to the notional amount of the swap and deliver the referenced obligation or underlying securities comprising the referenced index or (ii) receive a net settlement amount in the form of cash or securities equal to the notional amount of the swap less the recovery value of the referenced obligation or underlying securities comprising the referenced index. Sell Protection - Fund receives a premium and sells credit protection. If a credit event occurs the Fund will, depending on the terms of the particular swap contract, either (i) pay to the buyer of protection an amount equal to the notional amount of the swap and take delivery of the referenced obligation or underlying securities comprising the referenced index or (ii) pay a net settlement amount in the form of cash or securities equal to the notional amount of the swap less the recovery value of the referenced obligation or underlying securities comprising the referenced index.

- (1) As of February 29, 2020, implied credit spreads in absolute terms, calculated using a model, and utilized in determining the market value of credit default swap contracts on the reference security, serve as an indicator of the current status of the payment/performance risk and reflect the likelihood or risk of default for the reference entity. The implied credit spread of a particular referenced entity reflects the cost of buying/selling protection. Wider (i.e. higher) credit spreads represent a deterioration of the referenced entity's credit soundness and a greater likelihood or risk of default or other credit event occurring as defined under the terms of the contract.
- (2) The maximum potential amount the Fund could be required to pay as a seller of credit protection if a credit event occurs as defined under the terms of that particular swap contract.

GMO High Yield Fund
(A Series of GMO Trust)

Schedule of Investments — (Continued)
February 29, 2020

OTC Total Return Swaps

| <u>Fund Pays</u> | <u>Fund Receives</u> | <u>Counterparty</u> | <u>Notional Amount</u> | <u>Expiration Date</u> | <u>Periodic Payment Frequency</u> | <u>Premiums Paid/ (Received) (\$)</u> | <u>Value (\$)</u> | <u>Net Unrealized Appreciation/ (Depreciation) (\$)</u> |
|-------------------|--|---------------------|------------------------|------------------------|-----------------------------------|---------------------------------------|--------------------|---|
| 3 Month USD LIBOR | Total Return on iBoxx High Yield Corp. ETF | JPM | USD 28,532,001 | 03/20/2020 | Quarterly | — | 4,326 | 4,326 |
| 3 Month USD LIBOR | Total Return on iBoxx High Yield Corp. ETF | MSCI | USD 1,800,001 | 06/20/2020 | Quarterly | — | (42,061) | (42,061) |
| 3 Month USD LIBOR | Total Return on iBoxx High Yield Corp. ETF | GS | USD 779,999 | 06/20/2020 | Quarterly | (2,894) | (9,119) | (6,225) |
| 3 Month USD LIBOR | Total Return on iBoxx High Yield Corp. ETF | JPM | USD 4,900,000 | 06/20/2020 | Quarterly | (17,919) | (87,900) | (69,981) |
| | | | | | | <u>\$(20,813)</u> | <u>\$(134,754)</u> | <u>\$(113,941)</u> |

As of February 29, 2020, for the above contracts and/or agreements, the Fund had sufficient cash and/or securities to cover commitments or collateral requirements, if any, of the relevant broker or exchange.

Notes to Schedule of Investments:

- † Denominated in U.S. Dollar, unless otherwise indicated.
- (a) All or a portion of this security has been pledged to cover collateral requirements on reverse repurchase agreements.
- (b) All or a portion of this security has been pledged to cover margin requirements on futures and/or cleared swap contracts, collateral on OTC swap contracts, forward currency contracts, and/or written options, if any (Note 4).
- (c) The rate disclosed is the 7 day net yield as of February 29, 2020.
- (d) The rate shown represents yield-to-maturity.
- (e) Reverse repurchase agreements have an open maturity date and can be closed by either party on demand.

For a listing of definitions of acronyms, counterparty abbreviations and currency abbreviations used throughout the Schedule of Investments as well as the derivative tables, if any, please refer to page 56.

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GMO Opportunistic Income Fund

(A Series of GMO Trust)

Portfolio Management

Day-to-day management of the Fund's portfolio is the responsibility of the Structured Products team at Grantham, Mayo, Van Otterloo & Co. LLC.

Management Discussion and Analysis of Fund Performance

Although the Fund is not managed relative to any securities market index or benchmark, a discussion of the Fund's performance relative to the Bloomberg Barclays U.S. Securitized Index* is included for comparative purposes.

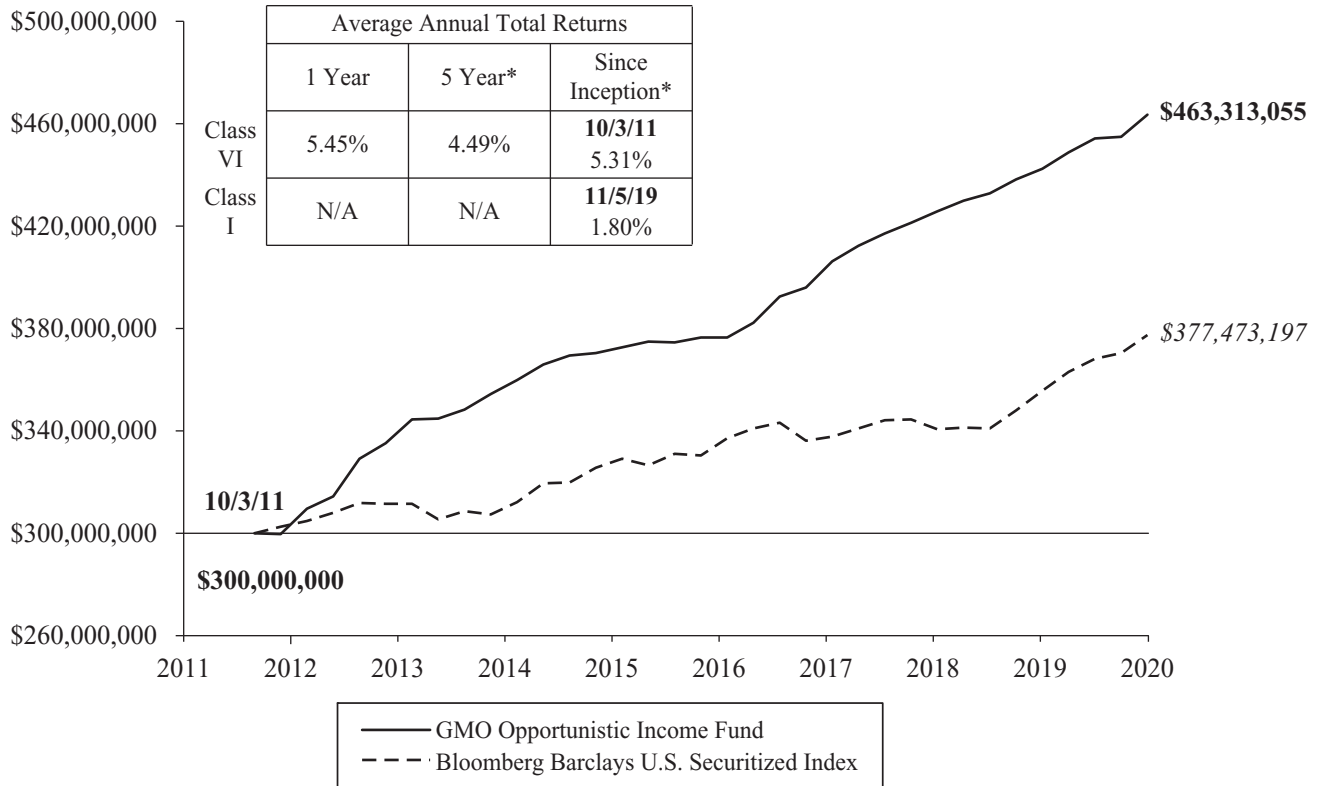
Class VI shares of GMO Opportunistic Income Fund returned +5.45% (net) for the fiscal year ended February 29, 2020, as compared with +7.69% for the Bloomberg Barclays U.S. Securitized Index.

Absolute performance was driven by sector allocations such as Residential Mortgage-Backed Securities, Commercial Mortgage-Backed Securities, and Student Loans, which were the top contributors of the fiscal year. Securitizations related to corporate debt markets, such as Collateralized Loan Obligations, also outperformed, contributing positively throughout the fiscal year. In asset-backed products, such as Small Balance Commercial Asset-Backed Securities (ABS) and Auto ABS, the Fund added value in less volatile, shorter duration markets. Finally, the Fund's hedge positions in long interest-rate futures also contributed positively during the fiscal year. The Fund's hedge positions in synthetic credit products detracted during the fourth quarter of 2019.

The views expressed herein are exclusively those of Grantham, Mayo, Van Otterloo & Co. LLC as of the date of this report and are subject to change. GMO disclaims any responsibility to update such views. They are not meant as investment advice. References to specific securities are not recommendations of such securities and may not be representative of any GMO portfolio's current or future investments. All information is unaudited.

GMO Opportunistic Income Fund
(A Series of GMO Trust)

**Comparison of Change in Value of a \$300,000,000 Investment in
GMO Opportunistic Income Fund[^] Class VI Shares and the Bloomberg Barclays U.S. Securitized Index
As of February 29, 2020**



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 up to the most recent month-end, visit www.gmo.com. Performance shown is net of all fees after reimbursement from GMO. Returns would have been lower had certain expenses not been reimbursed during the periods shown and do not include the effect of taxes on distributions and redemptions. The performance information shown above only includes purchase premiums and/or redemption fees in effect as of February 29, 2020. All information is unaudited.

* Beginning December 21, 2015 the pricing source for certain fixed income assets of the Fund changed, which may have had a material impact on the Fund's performance for the period shown.

[^] Effective February 12, 2014, GMO Opportunistic Income Fund (the "Acquired Fund") merged into GMO Short-Duration Collateral Fund (the "Acquiring Fund") and the surviving entity was renamed GMO Opportunistic Income Fund. For accounting and financial reporting purposes, the Acquired Fund is the surviving entity, meaning that the combined entity adopted the historical financial reporting and performance history of the Acquired Fund. The information shown prior to February 12, 2014 is that of the Acquired Fund and reflects the Acquired Fund's performance.

GMO Opportunistic Income Fund

(A Series of GMO Trust)

Investment Concentration Summary

February 29, 2020 (Unaudited)

| <u>Asset Class Summary</u> ^{&} | <u>% of Total Net Assets</u> |
|---|------------------------------|
| Debt Obligations | 91.9% |
| Short-Term Investments | 5.1 |
| Mutual Funds | 1.2 |
| Swap Contracts | 0.7 |
| Purchased Options | 0.2 |
| Futures Contracts | 0.0 [^] |
| Forward Currency Contracts | 0.0 [^] |
| Written Options | (0.2) |
| Other | 1.1 |
| | <u><u>100.0%</u></u> |

| <u>Industry Sector Summary</u> | <u>% of Debt Obligations</u> |
|--|------------------------------|
| Student Loans – Private | 19.9% |
| Collateralized Loan Obligations | 19.8 |
| Commercial Mortgage-Backed Securities | 13.5 |
| Residential Mortgage-Backed Securities – Other | 13.4 |
| Small Balance Commercial Mortgages | 12.2 |
| Student Loans – Federal Family Education Loan Program | 7.5 |
| Residential Mortgage-Backed Securities – Prime | 4.5 |
| Residential Mortgage-Backed Securities – Subprime | 2.8 |
| U.S. Government | 2.0 |
| U.S. Government Agency | 1.6 |
| Residential Mortgage-Backed Securities – Alt-A | 1.4 |
| CMBS Collateralized Debt Obligations | 1.0 |
| Time Share | 0.3 |
| Auto Retail Subprime | 0.1 |
| | <u><u>100.0%</u></u> |

& In the table above, derivative financial instruments, if any, are based on market values, rather than the notional amounts of derivatives, except for forward currency contracts which are based on unrealized appreciation/ (depreciation).

[^] Rounds to 0.0%.

GMO Opportunistic Income Fund
(A Series of GMO Trust)
Schedule of Investments
(showing percentage of total net assets)
February 29, 2020

| Par Value† / Shares | Description | Value (\$) | Par Value† / Shares | Description | Value (\$) |
|------------------------|---|------------|------------------------|--|-------------|
| | DEBT OBLIGATIONS — 91.9% | | | Collateralized Loan Obligations — continued | |
| | Asset-Backed Securities — 88.6% | | 15,030,900 | Mountain View CLO Ltd., Series 15-9A, Class A1R, 144A, Variable Rate, 3 mo. LIBOR + 1.12%, 2.95%, due 07/15/31 | 14,910,668 |
| | Auto Retail Subprime — 0.1% | | 8,166,264 | Newfleet CLO Ltd., Series 16-1A, Class CR, 144A, Variable Rate, 3 mo. LIBOR + 2.00%, 3.82%, due 04/20/28 | 8,112,987 |
| 678,551 | CPS Auto Receivables Trust, Series 15-C, Class D, 144A, 4.63%, due 08/16/21 | 683,711 | 6,910,385 | Palmer Square Loan Funding Ltd., Series 18-4A, Class A1, 144A, Variable Rate, 3 mo. LIBOR + 0.90%, 2.59%, due 11/15/26 | 6,914,476 |
| | CMBS Collateralized Debt Obligations — 0.9% | | 2,015,360 | Saranac CLO III Ltd, Series 14-3A, Class ALR, 144A, Variable Rate, 3 mo. LIBOR + 1.10%, 3.03%, due 06/22/30 | 2,014,250 |
| 1,074,646 | ARCap 2005-1 Resecuritization Trust, Series 05-1A, Class A, 144A, 5.45%, due 12/21/42 | 1,080,449 | 7,880,500 | Saratoga Investment Corp. CLO Ltd., Series 13-1A, Class BR2, 3 mo. LIBOR + 2.30%, 4.12%, due 01/20/30 | 7,887,120 |
| 8,586,000 | ARCap 2005-1 Resecuritization Trust, Series 05-1A, Class B, 144A, 5.55%, due 12/21/42 | 3,722,890 | 2,845,600 | Shackleton CLO Ltd., Series 13-4RA, Class A1A, 144A, Variable Rate, 3 mo. LIBOR + 1.00%, 2.85%, due 04/13/31 | 2,817,924 |
| 430,206 | Capitalsource Real Estate Loan Trust, Series 06-1A, Class B, 144A, Variable Rate, 3 mo. LIBOR + 0.39%, 2.24%, due 01/20/37 ^(a) | 428,055 | 16,974,000 | Sound Point CLO II Ltd., Series 13-1A, Class A1R, 144A, Variable Rate, 3 mo. LIBOR + 1.07%, 2.86%, due 01/26/31 | 16,850,480 |
| 2,318,670 | GS Mortgage Securities Corp., Series 06-CC1, Class A, 144A, Variable Rate, 5.33%, due 03/21/46 | 2,264,413 | 6,235,025 | Sound Point CLO XIX Ltd., Series 18-1A, Class A, 144A, Variable Rate, 3 mo. LIBOR + 1.00%, 2.83%, due 04/15/31 | 6,162,873 |
| | Total CMBS Collateralized Debt Obligations | 7,495,807 | 4,993,200 | Venture CLO Ltd., Series 18-32A, Class A1, 144A, Variable Rate, 3 mo. LIBOR + 1.10%, 2.92%, due 07/18/31 | 4,965,403 |
| | Collateralized Loan Obligations — 18.2% | | 2,496,000 | Venture XII CLO Ltd., Series 12-12A, Class BRR, 144A, Variable Rate, 3 mo. LIBOR + 1.20%, 2.81%, due 02/28/26 | 2,481,129 |
| 11,666,000 | ACIS CLO Ltd., Series 15-6A, Class A1, 144A, Variable Rate, 3 mo. LIBOR + 1.59%, 3.35%, due 05/01/27 | 11,699,773 | 1,568,784 | Voya CLO Ltd., Series 14-3A, Class A2A, 144A, Variable Rate, 3 mo. LIBOR + 1.90%, 3.69%, due 07/25/26 | 1,569,984 |
| 1,905,000 | Apex Credit CLO II Ltd., Series 15-2A, Class CR, 144A, Variable Rate, 3 mo. LIBOR + 1.90%, 3.73%, due 10/17/26 | 1,864,465 | 1,159,443 | WhiteHorse IX Ltd, Series 14-9A, Class AR, 144A, Variable Rate, 3 mo. LIBOR + 1.16%, 3.00%, due 07/17/26 | 1,160,440 |
| 514,380 | BFNS LLC, Series 17-1A, Class X, 144A, Variable Rate, 3 mo. LIBOR + 0.98%, 2.77%, due 01/25/29 | 514,382 | 6,750,000 | Zais CLO 1 Ltd., Series 14-1A, Class A1BR, 144A, Variable Rate, 3 mo. LIBOR + 1.50%, 3.33%, due 04/15/28 | 6,682,817 |
| 4,222,400 | Catamaran CLO Ltd., Series 13-1A, Class CR, 144A, Variable Rate, 3 mo. LIBOR + 1.80%, 3.59%, due 01/27/28 | 4,130,187 | 20,250,000 | Zais CLO 1 Ltd., Series 14-1A, Class A1AR, 144A, Variable Rate, 3 mo. LIBOR + 1.15%, 2.98%, due 04/15/28 | 20,252,349 |
| 1,588,529 | CIFC Funding Ltd., Series 15-2A, Class AR, 144A, Variable Rate, 3 mo. LIBOR + 0.78%, 2.61%, due 04/15/27 | 1,588,821 | 1,918,200 | Zais CLO 8 Ltd., Series 18-1A, Class A, 144A, Variable Rate, 3 mo. LIBOR + 0.95%, 2.78%, due 04/15/29 | 1,899,935 |
| 5,510,000 | Crestline Denali CLO XVI Ltd., Series 18-1A, Class A, 144A, Variable Rate, 3 mo. LIBOR + 1.12%, 2.94%, due 01/20/30 | 5,477,766 | | Total Collateralized Loan Obligations | 154,149,514 |
| 4,161,000 | ECP CLO Ltd., Series 18-1A, Class A1R, 144A, Variable Rate, 3 mo. LIBOR + 1.14%, 2.96%, due 04/22/30 | 4,135,206 | | Commercial Mortgage-Backed Securities — 12.4% | |
| 1,259,600 | Garrison BSL CLO Ltd., Series 18-1A, Class B, 144A, Variable Rate, 3 mo. LIBOR + 1.65%, 3.49%, due 07/17/28 | 1,256,969 | 8,448,000 | Barclays Commercial Mortgage Trust, Series 18-CHRS, Class E, 144A, Variable Rate, 4.27%, due 08/05/38 | 8,033,631 |
| 11,360,000 | Garrison BSL CLO Ltd., Series 18-1A, Class A1, 144A, Variable Rate, 3 mo. LIBOR + 0.97%, 2.81%, due 07/17/28 | 11,326,034 | 7,000,000 | Commercial Mortgage Trust, Series 15-CR24, Class A5, 3.70%, due 08/10/48 | 7,710,680 |
| 6,001,964 | Halcyon Loan Advisors Funding Ltd., Series 12-1A, Class B, 144A, Variable Rate, 3 mo. LIBOR + 3.00%, 4.69%, due 08/15/23 | 6,006,976 | 6,334,436 | Commercial Mortgage Trust, Series 15-CR25, Class A4, 3.76%, due 08/10/48 | 7,006,362 |
| 1,465,400 | Madison Park Funding XII Ltd, Series 14-12A, Class CR, 144A, Variable Rate, 3 mo. LIBOR + 2.35%, 4.17%, due 07/20/26 | 1,466,100 | | | |

See accompanying notes to the financial statements.

GMO Opportunistic Income Fund
(A Series of GMO Trust)
Schedule of Investments — (Continued)
(showing percentage of total net assets)
February 29, 2020

| Par Value† / Shares | Description | Value (\$) | Par Value† / Shares | Description | Value (\$) |
|------------------------|---|-------------|------------------------|---|------------|
| | Commercial Mortgage-Backed Securities — continued | | | Residential Mortgage-Backed Securities — Other — continued | |
| 250,674 | Credit Suisse First Boston Mortgage Securities Corp., Series 05-C2, Class AMFL, Variable Rate, 1 mo. LIBOR + 0.25%, 1.91%, due 04/15/37 | 237,686 | 5,589,469 | BCMST Trust, Series 99-A, Class M1, Variable Rate, 6.79%, due 03/15/29 | 5,433,942 |
| 198,049 | Credit Suisse First Boston Mortgage Securities Corp., Series 05-C2, Class AMFX, 4.88%, due 04/15/37 | 198,847 | 8,834,023 | BCMST Trust, Series 99-B, Class A4, Variable Rate, 7.30%, due 12/15/29 | 2,682,330 |
| 6,372,761 | CSAIL Commercial Mortgage Trust, Series 15-C3, Class A4, 3.72%, due 08/15/48 | 7,015,225 | 2,928,137 | BCMST Trust, Series 00-A, Class A4, Variable Rate, 8.29%, due 06/15/30 | 1,114,306 |
| 6,101,601 | GS Mortgage Securities Corp., Series 16-GS2, Class D, 144A, 2.75%, due 05/10/49 | 5,598,097 | 535,987 | Bear Stearns Mortgage Funding Trust, Series 07-SL2, Class 1A, Variable Rate, 1 mo. LIBOR + 0.32%, 1.95%, due 02/25/37 | 499,591 |
| 5,618,916 | GS Mortgage Securities Trust, Series 15-GS1, Class A3, 3.73%, due 11/10/48 | 6,210,548 | 2,721,174 | Conseco Finance Corp., Series 97-5, Class B1, Variable Rate, 6.97%, due 05/15/29 | 2,672,076 |
| 8,000,000 | Jackson Park Trust, Series 19-LIC, Class E, 144A, Variable Rate, 3.24%, due 10/14/39 | 7,853,490 | 5,413,302 | Conseco Finance Securitizations Corp., Series 01-3, Class M1, Variable Rate, 7.15%, due 05/01/33 | 5,355,946 |
| 1,326,589 | LB-UBS Commercial Mortgage Trust, Series 04-C6, Class K, 144A, Variable Rate, 6.31%, due 08/15/36 | 1,369,600 | 5,851,021 | Conseco Financial Corp., Series 97-6, Class M1, Variable Rate, 7.21%, due 01/15/29 | 5,996,694 |
| 10,458,682 | Merrill Lynch Mortgage Investors Trust, Series 98-C1, Class F, Variable Rate, 6.25%, due 11/15/26 | 10,634,388 | 3,052,937 | Conseco Financial Corp., Series 98-6, Class M1, Variable Rate, 6.63%, due 06/01/30 | 2,968,413 |
| 4,000,000 | MKT Mortgage Trust, Series 20-525M, Class E, 144A, Variable Rate, 2.94%, due 02/12/40 | 4,062,096 | 1,336,911 | Countrywide Home Equity Loan Trust, Series 07-E, Class A, FSA, Variable Rate, 1 mo. LIBOR + 0.15%, 1.81%, due 06/15/37 | 1,275,086 |
| 2,505,000 | MKT Mortgage Trust, Series 20-525M, Class F, 144A, Variable Rate, 2.94%, due 02/12/40 | 2,417,408 | 9,820,000 | Freddie Mac Structured Agency Credit Risk Debt Notes, Series 17-DNA3, Class M2, Variable Rate, 1 mo. LIBOR + 2.50%, 4.13%, due 03/25/30 | 10,135,226 |
| 1,201,206 | Morgan Stanley Dean Witter Capital I Trust, Series 01-TOP3, Class F, 144A, Variable Rate, 7.79%, due 07/15/33 | 1,128,521 | 415,764 | GMACM Home Equity Loan Trust, Series 04-HE3, Class A3, FSA, Variable Rate, 1 mo. LIBOR + 0.50%, 2.13%, due 10/25/34 | 390,181 |
| 13,314,000 | Union Station District of Columbia, Series 2018-USDC, Class E, 144A, Variable Rate, 4.49%, due 05/13/38 | 14,596,315 | 7,100,666 | GMACM Home Equity Loan Trust, Series 07-HE3, Class 2A1, Variable Rate, 7.00%, due 09/25/37 | 7,164,768 |
| 2,550,000 | WaMu Commercial Mortgage Securities Trust, Series 06-SL1, Class E, 144A, Variable Rate, 3.90%, due 11/23/43 | 2,550,366 | 5,755,389 | Home Equity Loan Trust, Series 05-HS1, Class A14, Step Up, 5.61%, due 09/25/35 | 2,303,835 |
| 8,270,894 | WaMu Commercial Mortgage Securities Trust, Series 07-SL3, Class G, 144A, Variable Rate, 4.55%, due 03/23/45 | 8,364,892 | 30,541,192 | Home Equity Mortgage Loan Asset-Backed Trust, Series 06-A, Class A, Variable Rate, 1 mo. LIBOR + 0.26%, 1.89%, due 06/25/36 | 2,681,788 |
| 1,717,000 | Wells Fargo Commercial Mortgage Trust, Series 13-BTC, Class D, 144A, Variable Rate, 3.55%, due 04/16/35 | 1,762,065 | 14,070,756 | Home Loan Trust, Series 06-HI4, Class A4, Step Up, 5.72%, due 09/25/36 | 10,054,001 |
| 8,563,000 | Wells Fargo Commercial Mortgage Trust, Series 13-BTC, Class F, 144A, Variable Rate, 3.55%, due 04/16/35 | 8,477,238 | 13,197,279 | Home Loan Trust, Series 07-HI1, Class A4, Step Up, 6.43%, due 03/25/37 | 6,168,974 |
| | Total Commercial Mortgage-Backed Securities | 105,227,455 | 4,070,852 | Master Second Lien Trust, Series 06-1, Class A, Variable Rate, 1 mo. LIBOR + 0.32%, 1.95%, due 03/25/36 | 657,043 |
| | Residential Mortgage-Backed Securities — Other — 12.3% | | 547,955 | Mellon Re-REMIC Pass-Through Trust, Series 04-TBC1, Class A, 144A, Variable Rate, 1 mo. LIBOR + 0.25%, 1.87%, due 02/26/34 | 522,528 |
| 1,076,990 | ACE Securities Corp. Home Equity Loan Trust, Series 06-ASL1, Class A, Variable Rate, 1 mo. LIBOR + 0.28%, 1.91%, due 02/25/36 | 425,973 | 14,105,301 | New Century Home Equity Loan Trust, Series 06-S1, Class A2A, Variable Rate, 1 mo. LIBOR + 0.20%, 1.83%, due 03/25/36 | 906,858 |
| 20,027,642 | American Home Mortgage Investment Trust, Series 06-2, Class 4A, Variable Rate, 1 mo. LIBOR + 0.36%, 1.99%, due 02/25/36 | 2,378,283 | 8,045,953 | New Century Home Equity Loan Trust, Series 06-S1, Class A1, Variable Rate, 1 mo. LIBOR + 0.34%, 1.97%, due 03/25/36 | 517,197 |
| 13,743,281 | BankAmerica Manufactured Housing Contract Trust, Series 98-1, Class B2, Variable Rate, 8.00%, due 08/10/25 | 8,824,087 | 21,451,396 | New Century Home Equity Loan Trust, Series 06-S1, Class A2B, Variable Rate, 1 mo. LIBOR + 0.40%, 2.03%, due 03/25/36 | 1,378,797 |

GMO Opportunistic Income Fund
(A Series of GMO Trust)
Schedule of Investments — (Continued)
(showing percentage of total net assets)
February 29, 2020

| Par Value† / Shares | Description | Value (\$) | Par Value† / Shares | Description | Value (\$) |
|---|---|--------------------|---|---|-------------------|
| Residential Mortgage-Backed Securities — Other — continued | | | Residential Mortgage-Backed Securities — Subprime — 2.6% | | |
| 1,007,094 | Nomura Asset Acceptance Corp. Alternative Loan Trust, Series 05-S3, Class M1, Variable Rate, 1 mo. LIBOR + 0.90%, 2.53%, due 08/25/35 | 1,223,192 | 1,788,863 | Asset Backed Funding Certificates, Series 05-AQ1, Class A5, Step Up, 4.69%, due 06/25/35 | 1,932,577 |
| 6,760,866 | Oakwood Mortgage Investors, Inc., Series 99-C, Class A2, 7.48%, due 08/15/27 | 6,509,755 | 2,578,393 | BCAP LLC, Series 14-RR2, Class 11A3, 144A, Variable Rate, 2.66%, due 05/26/37 | 2,487,961 |
| 1,585,944 | Oakwood Mortgage Investors, Inc., Series 98-A, Class B1, Variable Rate, 7.50%, due 05/15/28 | 1,674,144 | 1,723,153 | Bear Stearns Asset Backed Securities I Trust, Series 05-TC2, Class M3, Variable Rate, 1 mo. LIBOR + 1.08%, 2.71%, due 08/25/35 | 1,732,629 |
| 2,209,804 | Oakwood Mortgage Investors, Inc., Series 98-D, Class M1, 144A, 7.42%, due 01/15/29 | 2,283,540 | 3,296,075 | Bear Stearns Asset Backed Securities I Trust, Series 05-TC2, Class M4, Variable Rate, 1 mo. LIBOR + 1.88%, 3.50%, due 08/25/35 | 3,306,714 |
| 5,066,142 | Oakwood Mortgage Investors, Inc., Series 99-E, Class A1, Variable Rate, 7.61%, due 03/15/30 | 4,367,767 | 2,651,865 | Bear Stearns Asset-Backed Securities, Inc., Series 07-AQ1, Class A1, Variable Rate, 1 mo. LIBOR + 0.11%, 1.74%, due 04/25/31 ^(b) | 5,879,980 |
| 10,620,071 | Oakwood Mortgage Investors, Inc., Series 00-D, Class A4, Variable Rate, 7.40%, due 07/15/30 | 4,381,262 | 3,822,018 | Bravo Mortgage Asset Trust, Series 06-1A, Class M1, 144A, Variable Rate, 1 mo. LIBOR + 0.40%, 2.03%, due 07/25/36 | 3,539,074 |
| 1,234,002 | Oakwood Mortgage Investors, Inc., Series 01-D, Class A4, Variable Rate, 6.93%, due 09/15/31 | 1,004,121 | 1,652,582 | CHL Mortgage Pass-Through Trust, Series 04-HYB6, Class A2, Variable Rate, 3.93%, due 11/20/34 | 1,713,718 |
| 823,255 | Oakwood Mortgage Investors, Inc., Series 01-E, Class A3, 5.69%, due 12/15/31 | 810,099 | 1,686,400 | GSAA Trust, Series 05-1, Class M1, Step Up, 5.30%, due 11/25/34 | 1,722,211 |
| | Total Residential Mortgage-Backed Securities — Other | <u>104,761,803</u> | | Total Residential Mortgage-Backed Securities — Subprime | <u>22,314,864</u> |
| Residential Mortgage-Backed Securities — Prime — 4.1% | | | Residential Mortgage-Backed Securities — Alt-A — 1.3% | | |
| 1,331,014 | Bear Stearns ARM Trust, Series 05-6, Class 3A1, Variable Rate, 4.32%, due 08/25/35 | 1,340,706 | 843,989 | Alternative Loan Trust, Series 04-J11, Class 1CB1, 5.50%, due 11/25/34 | 890,937 |
| 1,233,728 | Bear Stearns ARM Trust, Series 05-9, Class A1, Variable Rate, U.S. Treasury Yield 1 Year CMT + 2.30%, 4.27%, due 10/25/35 | 1,270,020 | 2,100,070 | Alternative Loan Trust, Series 06-7CB, Class 1A1, Variable Rate, 1 mo. LIBOR + 0.70%, 2.33%, due 05/25/36 | 1,147,771 |
| 796,086 | Citigroup Mortgage Loan Trust, Series 05-3, Class 2A2, Variable Rate, 4.49%, due 08/25/35 | 796,988 | 2,225,866 | Alternative Loan Trust, Series 06-28CB, Class A1, Variable Rate, 1 mo. LIBOR + 0.70%, 2.33%, due 10/25/36 | 1,174,398 |
| 5,728,606 | CSMC Mortgage-Backed Trust, Series 07-4, Class 2A1, 6.00%, due 06/25/37 | 4,955,256 | 3,161,496 | Bear Stearns Asset Backed Securities I Trust, Series 04-AC5, Class A1, Step Up, 5.75%, due 10/25/34 | 3,271,937 |
| 2,323,155 | IndyMac INDA Mortgage Loan Trust, Series 06-AR3, Class 1A1, Variable Rate, 3.85%, due 12/25/36 | 2,213,692 | 5,124,322 | Citigroup Mortgage Loan Trust, Inc., Series 06-AR5, Class 2A2A, Variable Rate, 3.76%, due 07/25/36 | 3,566,079 |
| 1,669,497 | IndyMac INDA Mortgage Loan Trust, Series 07-AR1, Class 1A1, Variable Rate, 3.81%, due 03/25/37 | 1,597,718 | 1,161,625 | JP Morgan Resecuritization Trust, Series 09-10, Class 7A1, 144A, Variable Rate, 6.05%, due 02/26/37 | 1,232,748 |
| 2,038,719 | RFMSI Trust, Series 05-SA4, Class 2A2, Variable Rate, 4.52%, due 09/25/35 | 2,035,167 | | Total Residential Mortgage-Backed Securities — Alt-A | <u>11,283,870</u> |
| 1,591,946 | WaMu Mortgage Pass-Through Certificates, Series 05-AR10, Class 1A3, Variable Rate, 4.13%, due 09/25/35 | 1,609,991 | | Small Balance Commercial Mortgages — 11.2% | |
| 1,617,557 | WaMu Mortgage Pass-Through Certificates, Series 06-AR19, Class 2A, Variable Rate, COFI + 1.25%, 2.29%, due 01/25/47 | 1,624,868 | 486,644 | Bayview Commercial Asset Trust, Series 04-1, Class M1, 144A, Variable Rate, 1 mo. LIBOR + 0.84%, 2.47%, due 04/25/34 | 481,820 |
| 16,957,146 | Washington Mutual Mortgage Pass-Through Certificates, Series 07-5, Class A6, 6.00%, due 06/25/37 | <u>17,635,212</u> | 440,729 | Bayview Commercial Asset Trust, Series 04-1, Class M2, 144A, Variable Rate, 1 mo. LIBOR + 1.80%, 3.43%, due 04/25/34 | 439,113 |
| | Total Residential Mortgage-Backed Securities — Prime | <u>35,079,618</u> | | | |

See accompanying notes to the financial statements.

GMO Opportunistic Income Fund
(A Series of GMO Trust)
Schedule of Investments — (Continued)
(showing percentage of total net assets)
February 29, 2020

| Par Value† / Shares | Description | Value (\$) | Par Value† / Shares | Description | Value (\$) |
|--------------------------------|---|-------------------|--------------------------------|--|-------------------|
| | Small Balance Commercial Mortgages — continued | | | Small Balance Commercial Mortgages — continued | |
| 489,817 | Bayview Commercial Asset Trust, Series 04-1, Class B, 144A, Variable Rate, 1 mo. LIBOR + 2.85%, 4.48%, due 04/25/34 | 490,043 | 1,068,262 | Lehman Brothers Small Balance Commercial Mortgage Trust, Series 05-1A, Class M1, 144A, Variable Rate, 1 mo. LIBOR + 0.35%, 1.98%, due 02/25/30 | 1,056,876 |
| 4,895,856 | Bayview Commercial Asset Trust, Series 05-2A, Class A1, 144A, Variable Rate, 1 mo. LIBOR + 0.31%, 1.94%, due 08/25/35 | 4,695,301 | 989,266 | Lehman Brothers Small Balance Commercial Mortgage Trust, Series 05-1A, Class M2, 144A, Variable Rate, 1 mo. LIBOR + 0.55%, 2.18%, due 02/25/30 | 979,795 |
| 2,527,854 | Bayview Commercial Asset Trust, Series 05-4A, Class A2, 144A, Variable Rate, 1 mo. LIBOR + 0.39%, 2.02%, due 01/25/36 | 2,442,297 | 805,206 | Lehman Brothers Small Balance Commercial Mortgage Trust, Series 05-2A, Class M2, 144A, Variable Rate, 1 mo. LIBOR + 0.52%, 2.15%, due 09/25/30 | 804,038 |
| 1,402,274 | Bayview Commercial Asset Trust, Series 06-1A, Class M1, 144A, Variable Rate, 1 mo. LIBOR + 0.38%, 2.01%, due 04/25/36 | 1,343,415 | 2,467,604 | Lehman Brothers Small Balance Commercial Mortgage Trust, Series 05-2A, Class B, 144A, Variable Rate, 1 mo. LIBOR + 1.00%, 2.63%, due 09/25/30 | 2,426,901 |
| 2,004,074 | Bayview Commercial Asset Trust, Series 06-2A, Class A1, 144A, Variable Rate, 1 mo. LIBOR + 0.23%, 1.86%, due 07/25/36 | 1,926,259 | 5,445,606 | Lehman Brothers Small Balance Commercial Mortgage Trust, Series 06-1A, Class M3, 144A, Variable Rate, 1 mo. LIBOR + 0.53%, 2.16%, due 04/25/31 | 5,349,570 |
| 4,099,359 | Bayview Commercial Asset Trust, Series 06-2A, Class A2, 144A, Variable Rate, 1 mo. LIBOR + 0.28%, 1.91%, due 07/25/36 | 3,946,696 | 2,022,599 | Lehman Brothers Small Balance Commercial Mortgage Trust, Series 06-1A, Class B, 144A, Variable Rate, 1 mo. LIBOR + 1.00%, 2.63%, due 04/25/31 | 1,952,549 |
| 5,589,928 | Bayview Commercial Asset Trust, Series 06-3A, Class A1, 144A, Variable Rate, 1 mo. LIBOR + 0.25%, 1.88%, due 10/25/36 | 5,352,093 | 2,198,851 | Lehman Brothers Small Balance Commercial Mortgage Trust, Series 06-2A, Class M2, 144A, Variable Rate, 1 mo. LIBOR + 0.39%, 2.02%, due 09/25/36 | 2,158,070 |
| 2,683,296 | Bayview Commercial Asset Trust, Series 07-1, Class A1, 144A, Variable Rate, 1 mo. LIBOR + 0.22%, 1.85%, due 03/25/37 | 2,546,718 | 6,230,000 | Lehman Brothers Small Balance Commercial Mortgage Trust, Series 07-3A, Class AJ, 144A, Variable Rate, 5.33%, due 10/25/37 | 6,430,972 |
| 2,189,377 | Bayview Commercial Asset Trust, Series 07-3, Class A1, 144A, Variable Rate, 1 mo. LIBOR + 0.24%, 1.87%, due 07/25/37 | 2,082,762 | 177,289 | Velocity Commercial Capital Loan Trust, Series 16-2, Class AFL, Variable Rate, 1 mo. LIBOR + 1.80%, 3.43%, due 10/25/46 | 177,483 |
| 9,015,128 | Bayview Commercial Asset Trust, Series 07-2A, Class A1, 144A, Variable Rate, 1 mo. LIBOR + 0.27%, 1.90%, due 07/25/37 | 8,570,091 | 1,172,996 | WaMu Commercial Mortgage Securities Trust, Series 07-SL2, Class C, 144A, Variable Rate, 3.89%, due 12/27/49 | 1,174,528 |
| 5,805,681 | Bayview Commercial Asset Trust, Series 07-2A, Class A2, 144A, Variable Rate, 1 mo. LIBOR + 0.32%, 1.95%, due 07/25/37 | 5,439,356 | 3,430,400 | WaMu Commercial Mortgage Securities Trust, Series 07-SL2, Class D, 144A, Variable Rate, 4.27%, due 12/27/49 | 3,473,838 |
| 1,411,746 | Bayview Commercial Asset Trust, Series 07-6A, Class A3B, 144A, Variable Rate, 1 mo. LIBOR + 0.85%, 2.48%, due 12/25/37 | 1,404,332 | 3,176,664 | WaMu Commercial Mortgage Securities Trust, Series 07-SL2, Class E, 144A, Variable Rate, 4.42%, due 12/27/49 | 3,233,609 |
| 12,081,854 | Bayview Commercial Asset Trust, Series 07-6A, Class A3A, 144A, Variable Rate, 1 mo. LIBOR + 1.25%, 2.88%, due 12/25/37 | 12,085,637 | | Total Small Balance Commercial Mortgages | 95,357,021 |
| 2,861,394 | GE Business Loan Trust, Series 07-1A, Class A, 144A, Variable Rate, 1 mo. LIBOR + 0.17%, 1.83%, due 04/15/35 | 2,808,210 | | Student Loans — Federal Family Education Loan Program — 6.9% | |
| 2,294,769 | GE Business Loan Trust, Series 07-1A, Class D, 144A, Variable Rate, 1 mo. LIBOR + 1.00%, 2.66%, due 04/16/35 | 2,116,230 | 5,681,150 | AccessLex Institute, Series 04-2, Class A3, Variable Rate, 3 mo. LIBOR + 0.19%, 1.98%, due 10/25/24 | 5,586,023 |
| 2,671,299 | Hana SBL Loan Trust, Series 19-1, Class A, 144A, Variable Rate, 1 mo. LIBOR + 2.00%, 3.63%, due 08/25/45 | 2,671,296 | 10,700,367 | AccessLex Institute, Series 04-2, Class B, Variable Rate, 3 mo. LIBOR + 0.70%, 2.49%, due 01/25/43 | 9,646,771 |
| 4,300,000 | Lehman Brothers Small Balance Commercial, Series 07-2A, Class M1, 144A, Variable Rate, 1 mo. LIBOR + 0.40%, 2.03%, due 06/25/37 | 4,126,503 | 14,932,387 | AccessLex Institute, Series 07-1, Class A4, Variable Rate, 3 mo. LIBOR + 0.06%, 1.85%, due 01/25/23 | 14,754,220 |
| 1,178,413 | Lehman Brothers Small Balance Commercial Mortgage Trust, Series 05-1A, Class A, 144A, Variable Rate, 1 mo. LIBOR + 0.25%, 1.88%, due 02/25/30 | 1,170,620 | | | |

GMO Opportunistic Income Fund
(A Series of GMO Trust)
Schedule of Investments — (Continued)
(showing percentage of total net assets)
February 29, 2020

| Par Value† / Shares | Description | Value (\$) | Par Value† / Shares | Description | Value (\$) |
|------------------------|--|------------|------------------------|---|-------------|
| | Student Loans — Federal Family Education Loan Program — continued | | | Student Loans — Private — continued | |
| 4,431,666 | Collegiate Funding Services Education Loan Trust, Series 05-B, Class B, Variable Rate, 3 mo. LIBOR + 0.32%, 2.28%, due 03/28/35 ^(a) | 3,990,960 | 6,105,316 | National Collegiate Student Loan Trust, Series 06-1, Class A5, Variable Rate, 1 mo. LIBOR + 0.35%, 1.98%, due 03/25/33 | 5,746,883 |
| 3,358,183 | ECMC Group Student Loan Trust, Series 19-1A, Class A1B, 144A, Variable Rate, 1 mo. LIBOR + 1.00%, 2.63%, due 07/25/69 | 3,352,565 | 10,847,059 | National Collegiate Student Loan Trust, Series 05-2, Class A51, Variable Rate, 1 mo. LIBOR + 0.37%, 2.00%, due 06/25/33 | 10,426,775 |
| 8,213,067 | SLC Student Loan Trust, Series 08-2, Class A4, Variable Rate, 3 mo. LIBOR + 0.90%, 2.79%, due 06/15/21 | 8,073,012 | 14,906,500 | National Collegiate Student Loan Trust, Series 07-1, Class A4, Variable Rate, 1 mo. LIBOR + 0.31%, 1.93%, due 10/25/33 | 13,709,475 |
| 12,796,695 | SLM Student Loan Trust, Series 08-4, Class A4, Variable Rate, 3 mo. LIBOR + 1.65%, 3.44%, due 07/25/22 | 12,837,629 | 3,256,000 | National Collegiate Student Loan Trust, Series 04-2, Class B, Variable Rate, 1 mo. LIBOR + 0.54%, 2.17%, due 12/26/33 | 2,972,402 |
| | Total Student Loans — Federal Family Education Loan Program | 58,241,180 | 75,000 | National Collegiate Student Loan Trust, Series 07-4, Class A3A7, Variable Rate, 28-DayAuct + 0.00%, due 03/25/38 ^(a) | 69,188 |
| | Student Loans — Private — 18.3% | | 25,000 | National Collegiate Student Loan Trust, Series 07-3, Class A3A4, Variable Rate, 28-DayAuct + 0.00%, due 03/25/38 ^(a) | 23,500 |
| 4,286,205 | AccessLex Institute, Series 05-A, Class B, Variable Rate, 3 mo. LIBOR + 0.80%, 2.59%, due 07/25/34 | 4,109,957 | 7,462,000 | SLM Private Credit Student Loan Trust, Series 03-A, Class A3, Variable Rate, 28-DayAuct + 0.00%, due 06/15/32 ^(a) | 7,459,761 |
| 240,616 | AccessLex Institute, Series 03-A, Class A2, Variable Rate, 3 mo. USBM + 1.20%, due 07/01/38 | 240,064 | 3,800,000 | SLM Private Credit Student Loan Trust, Series 03-C, Class A3, Variable Rate, 28-DayAuct + 0.00%, due 09/15/32 ^(a) | 3,798,860 |
| 3,754,334 | KeyCorp Student Loan Trust, Series 05-A, Class 2B, Variable Rate, 3 mo. LIBOR + 0.73%, 2.68%, due 09/27/38 | 3,714,533 | 5,400,350 | SLM Private Credit Student Loan Trust, Series 03-C, Class C, Variable Rate, 3 mo. LIBOR + 1.60%, 3.49%, due 09/15/32 | 1,966,444 |
| 24,402,675 | KeyCorp Student Loan Trust, Series 06-A, Class 2B, Variable Rate, 3 mo. LIBOR + 0.48%, 2.43%, due 12/27/41 | 24,003,579 | 9,000,000 | SLM Private Credit Student Loan Trust, Series 04-B, Class A4, Variable Rate, 3 mo. LIBOR + 0.43%, 2.32%, due 09/15/33 | 8,693,382 |
| 3,024,892 | KeyCorp Student Loan Trust, Series 04-A, Class 2C, Variable Rate, 3 mo. LIBOR + 0.80%, 2.59%, due 04/28/42 | 2,981,329 | 3,307,550 | SLM Private Credit Student Loan Trust, Series 05-A, Class B, Variable Rate, 3 mo. LIBOR + 0.28%, 2.17%, due 12/15/38 | 3,278,196 |
| 5,622,500 | KeyCorp Student Loan Trust, Series 04-A, Class 2D, Variable Rate, 3 mo. LIBOR + 1.25%, 3.04%, due 07/28/42 | 4,625,070 | 4,889,603 | SLM Private Credit Student Loan Trust, Series 06-A, Class A5, Variable Rate, 3 mo. LIBOR + 0.29%, 2.18%, due 06/15/39 | 4,779,550 |
| 1,550,716 | L2L Education Loan Trust, Series 06-1A, Class B, 144A, Variable Rate, 1 mo. LIBOR + 0.50%, 2.18%, due 10/15/28 | 1,501,201 | 15,245,509 | SLM Private Credit Student Loan Trust, Series 05-B, Class A4, Variable Rate, 3 mo. LIBOR + 0.33%, 2.22%, due 06/15/39 | 14,970,894 |
| 8,775,000 | National Collegiate Commutation Trust, Series 07-3, Class A3R4, 144A, Variable Rate, 7-DayAuct + 0.00%, due 03/31/38 ^(a) | 3,182,693 | 2,672,291 | SLM Private Credit Student Loan Trust, Series 06-C, Class C, Variable Rate, 3 mo. LIBOR + 0.39%, 2.28%, due 12/15/39 | 2,309,555 |
| 7,625,000 | National Collegiate II Commutation Trust, Series 07-4, Class A3R7, Variable Rate, 28-DayAuct + 0.00%, due 03/25/38 | 2,635,224 | 4,437,144 | South Carolina Student Loan Corp., Series 15-A, Class A, Variable Rate, 1 mo. LIBOR + 1.50%, 3.13%, due 01/25/36 | 4,450,260 |
| 3,275,000 | National Collegiate II Commutation Trust, Series 07-4, Class A3R6, Variable Rate, 28-DayAuct + 0.00%, due 03/25/38 ^(a) | 1,156,484 | 6,989,400 | Towd Point Asset Trust, Series 18-SL1, Class B, 144A, Variable Rate, 1 mo. LIBOR + 1.05%, 2.68%, due 01/25/46 | 6,663,217 |
| 3,691,307 | National Collegiate Student Loan Trust, Series 05-3, Class A51, Variable Rate, 1 mo. LIBOR + 0.38%, 2.01%, due 10/25/33 | 3,585,196 | | Total Student Loans — Private | 155,104,950 |
| 2,414,077 | National Collegiate Student Loan Trust, Series 07-1, Class A3, Variable Rate, 1 mo. LIBOR + 0.24%, 1.87%, due 07/25/30 | 2,406,584 | | Time Share — 0.3% | |
| 10,060,741 | National Collegiate Student Loan Trust, Series 06-4, Class A4, Variable Rate, 1 mo. LIBOR + 0.31%, 1.94%, due 05/25/32 | 9,644,694 | 233,988 | BXG Receivables Note Trust, Series 12-A, Class B, 144A, 3.99%, due 12/02/27 | 234,017 |
| | | | 1,081,056 | BXG Receivables Note Trust, Series 13-A, Class B, 144A, 4.00%, due 12/04/28 | 1,097,026 |

See accompanying notes to the financial statements.

GMO Opportunistic Income Fund
(A Series of GMO Trust)
Schedule of Investments — (Continued)
(showing percentage of total net assets)
February 29, 2020

| Par Value† / Shares | Description | Value (\$) | Par Value† / Shares | Description | Value (\$) |
|------------------------|---|-------------|------------------------|--|------------|
| | Time Share — continued | | | MUTUAL FUNDS — 1.2% | |
| 949,353 | Westgate Resorts LLC, Series 17-1A, Class A, 144A, 3.05%, due 12/20/30 | 957,978 | | United States — 1.2% | |
| | Total Time Share | 2,289,021 | | Affiliated Issuers — 1.2% | |
| | Total Asset-Backed Securities | 751,988,814 | 2,043,048 | GMO U.S. Treasury Fund | 10,256,103 |
| | U.S. Government — 1.9% | | | TOTAL MUTUAL FUNDS (COST \$10,215,242) | 10,256,103 |
| 1,800,000 | U.S. Treasury Note, Variable Rate, USBM + 0.04%, 1.55%, due 07/31/20 | 1,800,108 | | SHORT-TERM INVESTMENTS — 5.1% | |
| 4,000,000 | U.S. Treasury Note, Variable Rate, USBM + 0.12%, 1.63%, due 01/31/21 ^(c) | 4,002,496 | | Money Market Funds — 0.2% | |
| 10,000,000 | U.S. Treasury Note, 1.13%, due 02/28/21 | 10,004,688 | 1,931,122 | State Street Institutional Treasury Money Market Fund – Premier Class, 1.50% ^(d) | 1,931,122 |
| | Total U.S. Government | 15,807,292 | | Repurchase Agreements — 4.9% | |
| | U.S. Government Agency — 1.4% | | 40,999,182 | Nomura Securities International, Inc. Repurchase Agreement, dated 02/20/20, maturing on 03/02/20 with a maturity value of \$41,018,725 and an effective yield of 1.56%, collateralized by a U.S. Treasury Note with maturity date 05/15/25 and a market value of \$42,594,505. | 40,999,182 |
| 4,937,500 | Agency for International Development Floater (Support of Morocco), Variable Rate, 6 mo. LIBOR – 0.02%, 1.71%, due 02/01/25 ^(b) | 4,768,534 | | TOTAL SHORT-TERM INVESTMENTS (COST \$42,930,304) | 42,930,304 |
| 5,250,000 | Agency for International Development Floater (Support of Morocco), Variable Rate, 6 mo. LIBOR + 0.15%, 1.86%, due 10/29/26 ^(b) | 5,050,809 | | | |
| 2,467,500 | Agency for International Development Floater (Support of Tunisia), Variable Rate, 6 mo. LIBOR + 0.00%, 1.72%, due 07/01/23 ^(b) | 2,409,459 | | | |
| | Total U.S. Government Agency | 12,228,802 | | | |
| | TOTAL DEBT OBLIGATIONS (COST \$782,779,793) | 780,024,908 | | | |

PURCHASED OPTIONS — 0.2%

| Description | Counterparty | Exercise Rate | Expiration Date | Principal/Notional Amount | Floating Rate Index | Pay/Receive Floating Rate | Value (\$) |
|---|---|---------------|-----------------|---------------------------|---------------------|---------------------------|-------------|
| Options on Credit Default Swaps – Calls — 0.0% | | | | | | | |
| CDX.NA.HYS.33.V2-5Y | GS | 106.00% | 04/15/20 | USD 10,340,000 | Fixed Spread | Receive | 59,406 |
| CDX.NA.IGS.33.V1-5Y | MSCI | 60.00% | 04/15/20 | USD 53,874,000 | Fixed Spread | Receive | 715 |
| | Total Options on Credit Default Swaps – Calls | | | | | | 60,121 |
| Options on Credit Default Swaps – Puts — 0.2% | | | | | | | |
| ITRAXX.EUROPES.32.V1-5Y | GS | 50.00% | 03/18/20 | EUR 88,515,000 | Fixed Spread | Pay | 739,979 |
| ITRAXX.EUROPES.32.V1-5Y | DB | 52.50% | 03/18/20 | EUR 104,915,000 | Fixed Spread | Pay | 755,312 |
| | Total Options on Credit Default Swaps – Puts | | | | | | 1,495,291 |
| | TOTAL PURCHASED OPTIONS (COST \$368,077) | | | | | | 1,555,412 |
| | TOTAL INVESTMENTS — 98.4% (Cost \$836,293,416) | | | | | | 834,766,727 |
| | Other Assets and Liabilities (net) — 1.6% | | | | | | 13,793,165 |
| | TOTAL NET ASSETS — 100.0% | | | | | | 848,559,892 |

GMO Opportunistic Income Fund
(A Series of GMO Trust)

Schedule of Investments — (Continued)
February 29, 2020

A summary of outstanding financial instruments at February 29, 2020 is as follows:

Forward Currency Contracts

| Settlement Date | Counterparty | Currency Sold | Currency Purchased | Net Unrealized Appreciation (Depreciation) (\$) |
|-----------------|--------------|---------------|--------------------|---|
| 04/17/2020 | MSCI | EUR 3,866,545 | USD 4,294,072 | 14,013 |
| 04/17/2020 | DB | USD 151,118 | EUR 138,881 | 2,616 |
| 04/17/2020 | MSCI | USD 5,087,269 | EUR 4,552,771 | (47,595) |
| | | | | <u>\$(30,966)</u> |

Futures Contracts

| Number of Contracts + | Type | Expiration Date | Notional Amount (\$) | Value/Net Unrealized Appreciation (Depreciation) (\$) |
|-----------------------|---------------------------------|-----------------|----------------------|---|
| Buy | | | | |
| 34 | U.S. Treasury Note 5 Yr. (CBT) | June 2020 | 4,173,500 | 45,116 |
| 9 | U.S. Treasury Note 10 Yr. (CBT) | June 2020 | 1,212,750 | 16,864 |
| | | | <u>\$5,386,250</u> | <u>\$61,980</u> |

+ Buys - Fund is long the futures contract.
Sales - Fund is short the futures contract.

Written Options

| Description | Counterparty | Exercise Rate | Expiration Date | Principal/Notional Amount | Floating Rate Index | Pay/Receive Floating Rate | Value (\$) |
|--|--------------|---------------|-----------------|---------------------------|---------------------|---------------------------|--------------------|
| Written Options on Credit Default Swaps – Calls | | | | | | | |
| CDX.NA.IGS.33.V1-5Y | MSCI | 60.00% | 03/18/20 | USD (53,874,000) | Fixed Spread | Receive | (465) |
| Written Options on Credit Default Swaps – Puts | | | | | | | |
| ITRAXX.EUROPES.32.V1-5Y | DB | 65.00% | 03/18/20 | EUR (88,515,000) | Fixed Spread | Pay | (277,315) |
| ITRAXX.EUROPES.32.V1-5Y | GS | 55.00% | 03/18/20 | EUR (104,915,000) | Fixed Spread | Pay | (644,928) |
| CDX.NA.HYS.33.V2-5Y | GS | 104.00% | 04/15/20 | USD (10,340,000) | Fixed Spread | Pay | (133,202) |
| CDX.NA.IGS.33.V1-5Y | MSCI | 50.00% | 04/15/20 | USD (70,824,000) | Fixed Spread | Pay | (649,245) |
| CDX.NA.IGS.33.V1-5Y | MSCI | 62.50% | 04/15/20 | USD (24,600,000) | Fixed Spread | Pay | (123,664) |
| | | | | | | | <u>(1,828,354)</u> |

TOTAL WRITTEN OPTIONS ON CREDIT DEFAULT SWAPS – PUTS
(Premiums \$320,999) \$ (1,828,819)

Swap Contracts

Centrally Cleared Credit Default Swaps

| Reference Entity | Notional Amount | Annual Premium | Implied Credit Spread ⁽¹⁾ | Maximum Potential Amount of Future Payments by the Fund Under the Contract ⁽²⁾ | Expiration Date | Periodic Payment Frequency | Premiums Paid/ (Received) (\$) | Value (\$) | Net Unrealized Appreciation/ (Depreciation) (\$) |
|--------------------------|-----------------|----------------|--------------------------------------|---|-----------------|----------------------------|--------------------------------|----------------------|--|
| Buy Protection^: | | | | | | | | | |
| ITRAXX.XOVERS.30.V3-5Y | EUR 23,024,640 | 5.00% | 2.95% | N/A | 12/20/2023 | Quarterly | (2,406,883) | (1,845,452) | 561,431 |
| CDX.NA.IGS.33.V1-5Y | USD 95,424,000 | 1.00% | 0.66% | N/A | 12/20/2024 | Quarterly | (2,425,040) | (1,482,412) | 942,628 |
| ITRAXX-EUROPES.32.V1-5Y | EUR 29,470,000 | 1.00% | 0.64% | N/A | 12/20/2024 | Quarterly | (859,948) | (560,031) | 299,917 |
| Sell Protection^: | | | | | | | | | |
| CDX.NA.IGS.28.V1-5Y | USD 17,200,000 | 1.00% | 0.39% | 17,200,000 USD | 06/20/2022 | Quarterly | 300,981 | 241,350 | (59,631) |
| | | | | | | | <u>\$(5,390,890)</u> | <u>\$(3,646,545)</u> | <u>\$1,744,345</u> |

GMO Opportunistic Income Fund
(A Series of GMO Trust)

Schedule of Investments — (Continued)
February 29, 2020

OTC Credit Default Swaps

| Reference Entity | Counter-party | Notional Amount | Annual Premium | Implied Credit Spread ⁽¹⁾ | Maximum Potential Amount of Future Payments by the Fund Under the Contract ⁽²⁾ | Expiration Date | Periodic Payment Frequency | Premiums Paid/ (Received) (\$) | Value (\$) | Net Unrealized Appreciation/ (Depreciation) (\$) |
|-------------------------------------|---------------|-----------------|----------------|--------------------------------------|---|-----------------|----------------------------|--------------------------------|---------------------|--|
| Buy Protection[^]: | | | | | | | | | | |
| CDX.NA.IGS.25.V1-5Y | BOA | USD 4,400,000 | 1.00% | 0.17% | N/A | 12/20/2020 | Quarterly | 710,600 | (27,455) | (738,055) |
| CDX.NA.IGS.25.V2-5Y | CITI | USD 4,300,000 | 1.00% | 0.17% | N/A | 12/20/2020 | Quarterly | 547,891 | (26,831) | (574,722) |
| CDX.NA.HYS.27.V2-5Y | GS | USD 8,580,000 | 5.00% | 3.34% | N/A | 12/20/2021 | Quarterly | 21,450 | (619,956) | (641,406) |
| CDX.NA.HYS.27.V2-5Y | JPM | USD 4,300,000 | 5.00% | 3.34% | N/A | 12/20/2021 | Quarterly | (11,825) | (310,701) | (298,876) |
| D.R. HORTON, INC. | BCLY | USD 17,200,000 | 1.00% | 0.21% | N/A | 06/20/2022 | Quarterly | (165,250) | (312,174) | (146,924) |
| CDX.NA.HYS.29.V1-5Y | JPM | USD 5,060,000 | 5.00% | 3.35% | N/A | 12/20/2022 | Quarterly | (301,070) | (410,536) | (109,466) |
| CDX.NA.HYS.29.V1-5Y | JPM | USD 6,425,250 | 5.00% | 3.35% | N/A | 12/20/2022 | Quarterly | (282,711) | (521,303) | (238,592) |
| CDX.NA.HYS.29.V1-5Y | MORD | USD 3,450,800 | 5.00% | 3.35% | N/A | 12/20/2022 | Quarterly | (188,414) | (279,976) | (91,562) |
| Navient Corp. | GS | USD 2,700,000 | 5.00% | 1.62% | N/A | 12/20/2022 | Quarterly | (277,471) | (245,636) | 31,835 |
| Navient Corp. | GS | USD 4,050,000 | 5.00% | 1.62% | N/A | 12/20/2022 | Quarterly | (421,122) | (368,454) | 52,668 |
| Navient Corp. | BCLY | USD 2,576,400 | 5.00% | 1.62% | N/A | 12/20/2022 | Quarterly | (208,665) | (234,391) | (25,726) |
| Navient Corp. | BCLY | USD 2,576,400 | 5.00% | 1.62% | N/A | 12/20/2022 | Quarterly | (198,694) | (234,391) | (35,697) |
| Navient Corp. | BCLY | USD 3,435,200 | 5.00% | 1.62% | N/A | 12/20/2022 | Quarterly | (264,647) | (312,522) | (47,875) |
| ITRAXX.EUROPE.S.32.V1-5Y | BOA | EUR 10,000,000 | 1.00% | 0.64% | N/A | 12/20/2024 | Quarterly | 748,704 | 829,676 | 80,972 |
| CMBX.NA.AS.7 | BOA | USD 4,505,000 | 1.00% | 0.55% | N/A | 01/17/2047 | Monthly | 47,352 | (71,851) | (119,203) |
| CMBX.NA.AS.7 | DB | USD 16,677,794 | 1.00% | 0.55% | N/A | 01/17/2047 | Monthly | 197,705 | (265,998) | (463,703) |
| CMBX.NA.AS.7 | GS | USD 4,400,000 | 1.00% | 0.55% | N/A | 01/17/2047 | Monthly | 112,812 | (70,177) | (182,989) |
| CMBX.NA.AS.7 | MORD | USD 13,270,000 | 1.00% | 0.55% | N/A | 01/17/2047 | Monthly | 205,782 | (211,647) | (417,429) |
| CMBX.NA.AS.7 | DB | USD 7,608,000 | 1.00% | 0.55% | N/A | 01/17/2047 | Monthly | (119,899) | (121,342) | (1,443) |
| CMBX.NA.AA.8 | CSI | USD 8,892,000 | 1.50% | 0.96% | N/A | 10/17/2057 | Monthly | 247,717 | (213,459) | (461,176) |
| CMBX.NA.AS.8 | CGMI | USD 8,892,000 | 1.00% | 0.58% | N/A | 10/17/2057 | Monthly | 73,095 | (166,997) | (240,092) |
| CMBX.NA.AS.8 | MORD | USD 3,384,000 | 1.00% | 0.58% | N/A | 10/17/2057 | Monthly | 140,432 | (63,554) | (203,986) |
| CMBX.NA.BBB-.8 | CGMI | USD 2,134,000 | 3.00% | 4.16% | N/A | 10/17/2057 | Monthly | 114,688 | 102,305 | (12,383) |
| CMBX.NA.BBB-.8 | GS | USD 8,650,000 | 3.00% | 4.16% | N/A | 10/17/2057 | Monthly | 1,299,082 | 414,687 | (884,395) |
| CMBX.NA.BBB-.8 | CSI | USD 2,108,500 | 3.00% | 4.16% | N/A | 10/17/2057 | Monthly | 144,924 | 101,083 | (43,841) |
| CMBX.NA.BBB-.8 | CGMI | USD 4,223,000 | 3.00% | 4.16% | N/A | 10/17/2057 | Monthly | 392,728 | 202,453 | (190,275) |
| CMBX.NA.BBB-.8 | GS | USD 4,224,000 | 3.00% | 4.16% | N/A | 10/17/2057 | Monthly | 400,908 | 202,501 | (198,407) |
| CMBX.NA.AAA.9 | GS | USD 10,000,000 | 0.50% | 0.39% | N/A | 09/17/2058 | Quarterly | (102,116) | (57,540) | 44,576 |
| CMBX.NA.AAA.9 | MORD | USD 5,000,000 | 0.50% | 0.39% | N/A | 09/17/2058 | Monthly | (51,058) | (28,770) | 22,288 |
| CMBX.NA.AAA.9 | CGMI | USD 4,000,000 | 0.50% | 0.39% | N/A | 09/17/2058 | Monthly | (17,096) | (23,016) | (5,920) |
| CMBX.NA.AAA.9 | GS | USD 2,902,300 | 0.50% | 0.39% | N/A | 09/17/2058 | Monthly | (14,187) | (16,700) | (2,513) |
| CMBX.NA.AAA.9 | MSCI | USD 3,328,000 | 0.50% | 0.39% | N/A | 09/17/2058 | Monthly | (31,983) | (19,149) | 12,834 |
| CMBX.NA.BBB-.9 | MORD | USD 10,340,000 | 3.00% | 3.63% | N/A | 09/17/2058 | Monthly | 253,958 | 322,981 | 69,023 |
| CMBX.NA.BBB-.9 | DB | USD 4,400,000 | 3.00% | 3.63% | N/A | 09/17/2058 | Monthly | 950,085 | 137,439 | (812,646) |
| CMBX.NA.BBB-.9 | GS | USD 1,760,000 | 3.00% | 3.63% | N/A | 09/17/2058 | Monthly | 346,611 | 54,976 | (291,635) |
| CMBX.NA.BBB-.9 | MORD | USD 8,528,000 | 3.00% | 3.63% | N/A | 09/17/2058 | Monthly | 974,545 | 266,382 | (708,163) |
| CMBX.NA.BBB-.9 | DB | USD 4,263,000 | 3.00% | 3.63% | N/A | 09/17/2058 | Monthly | 517,160 | 133,159 | (384,001) |
| Sell Protection[^]: | | | | | | | | | | |
| CDX.NA.HYS.27.V2-5Y | GS | USD 12,870,000 | 5.00% | 3.34% | 12,870,000 USD | 12/20/2021 | Quarterly | 1,657,013 | 1,110,415 | (546,598) |
| CDX.NA.HYS.27.V2-5Y | JPM | USD 8,600,000 | 5.00% | 3.34% | 8,600,000 USD | 12/20/2021 | Quarterly | 1,143,800 | 742,002 | (401,798) |
| CDX.NA.HYS.27.V3-5Y | JPM | USD 12,672,000 | 5.00% | 3.34% | 12,672,000 USD | 12/20/2021 | Quarterly | 1,795,622 | 1,093,331 | (702,291) |
| CDX.NA.HYS.27.V3-5Y | BOA | USD 8,545,000 | 5.00% | 3.34% | 8,545,000 USD | 12/20/2021 | Quarterly | 1,369,764 | 737,257 | (632,507) |
| CDX.NA.HYS.27.V3-5Y | JPM | USD 8,543,000 | 5.00% | 3.34% | 8,543,000 USD | 12/20/2021 | Quarterly | 1,230,192 | 737,084 | (493,108) |
| CDX.NA.HYS.29.V1-5Y | MORD | USD 10,233,600 | 5.00% | 3.35% | 10,233,600 USD | 12/20/2022 | Quarterly | 1,547,321 | 1,239,475 | (307,846) |
| CDX.NA.HYS.29.V1-5Y | BOA | USD 5,115,600 | 5.00% | 3.35% | 5,115,600 USD | 12/20/2022 | Quarterly | 742,274 | 619,593 | (122,681) |
| CDX.NA.HYS.31.V1-5Y | JPM | USD 18,387,605 | 5.00% | 3.50% | 18,387,605 USD | 12/20/2023 | Quarterly | 3,660,972 | 3,203,184 | (457,788) |
| ITRAXX.XOVERS.30.V3-5Y | JPM | EUR 1,281,711 | 5.00% | 2.84% | 1,281,711 EUR | 12/20/2023 | Quarterly | (953,769) | (996,573) | (42,804) |
| ITRAXX.XOVERS.30.V4-5Y | JPM | EUR 310,239 | 5.00% | 2.84% | 310,239 EUR | 12/20/2023 | Quarterly | (216,624) | (241,221) | (24,597) |
| CDX.NA.HYS.33.V1-5Y | GS | USD 26,262,573 | 5.00% | 3.80% | 26,262,573 USD | 12/20/2024 | Quarterly | 5,808,625 | 5,396,384 | (412,241) |
| ITRAXX.EUROPE.S.32.V1-5Y | GS | EUR 58,940,000 | 1.00% | 0.64% | 58,940,000 EUR | 12/20/2024 | Quarterly | 2,667,689 | 2,311,097 | (356,592) |
| ITRAXX.EUROPE.S.32.V1-5Y | BOA | EUR 25,000,000 | 1.00% | 0.64% | 25,000,000 EUR | 12/20/2024 | Quarterly | 114,435 | (191,529) | (305,964) |
| CMBX.NA.A.9 | GS | USD 6,822,400 | 2.00% | 1.68% | 6,822,400 USD | 09/17/2058 | Monthly | 89,488 | 114,105 | 24,617 |
| CMBX.NA.A.6 | CSI | USD 4,217,000 | 2.00% | 1.94% | 4,217,000 USD | 05/11/2063 | Monthly | (52,739) | 6,226 | 58,965 |
| CMBX.NA.A.6 | CGMI | USD 4,268,000 | 2.00% | 1.94% | 4,268,000 USD | 05/11/2063 | Monthly | (3,940) | 6,302 | 10,242 |
| | | | | | | | | <u>\$26,392,144</u> | <u>\$13,420,248</u> | <u>\$(12,971,896)</u> |

GMO Opportunistic Income Fund
(A Series of GMO Trust)

Schedule of Investments — (Continued)
February 29, 2020

- ^ Buy Protection - Fund pays a premium and buys credit protection. If a credit event occurs the Fund will, depending on the terms of the particular swap contract, either (i) receive from the seller of protection an amount equal to the notional amount of the swap and deliver the referenced obligation or underlying securities comprising the referenced index or (ii) receive a net settlement amount in the form of cash or securities equal to the notional amount of the swap less the recovery value of the referenced obligation or underlying securities comprising the referenced index.
- Sell Protection - Fund receives a premium and sells credit protection. If a credit event occurs the Fund will, depending on the terms of the particular swap contract, either (i) pay to the buyer of protection an amount equal to the notional amount of the swap and take delivery of the referenced obligation or underlying securities comprising the referenced index or (ii) pay a net settlement amount in the form of cash or securities equal to the notional amount of the swap less the recovery value of the referenced obligation or underlying securities comprising the referenced index.
- (1) As of February 29, 2020, implied credit spreads in absolute terms, calculated using a model, and utilized in determining the market value of credit default swap contracts on the reference security, serve as an indicator of the current status of the payment/performance risk and reflect the likelihood or risk of default for the reference entity. The implied credit spread of a particular referenced entity reflects the cost of buying/selling protection. Wider (i.e. higher) credit spreads represent a deterioration of the referenced entity's credit soundness and a greater likelihood or risk of default or other credit event occurring as defined under the terms of the contract.
- (2) The maximum potential amount the Fund could be required to pay as a seller of credit protection if a credit event occurs as defined under the terms of that particular swap contract.

Centrally Cleared Interest Rate Swaps

| Fund Pays | Fund Receives | Notional Amount | Expiration Date | Periodic Payment Frequency | Premiums Paid/(Received) (\$) | Value (\$) | Net Unrealized Appreciation/(Depreciation) (\$) |
|-----------|-------------------|-----------------|-----------------|----------------------------|-------------------------------|----------------------|---|
| 1.76% | 3 Month USD LIBOR | USD 10,400,000 | 11/10/2022 | Quarterly | (3,459) | (226,119) | (222,660) |
| 1.41% | 3 Month USD LIBOR | USD 32,360,000 | 08/20/2024 | Quarterly | — | (679,016) | (679,016) |
| 1.33% | 3 Month USD LIBOR | USD 8,270,000 | 08/29/2024 | Quarterly | — | (143,865) | (143,865) |
| 1.80% | 3 Month USD LIBOR | USD 20,386,000 | 01/18/2025 | Quarterly | (13,877) | (826,612) | (812,735) |
| 1.85% | 3 Month USD LIBOR | USD 5,500,000 | 05/19/2026 | Quarterly | (10,832) | (290,137) | (279,305) |
| 1.94% | 3 Month USD LIBOR | USD 12,023,000 | 06/04/2028 | Quarterly | (84,425) | (872,357) | (787,932) |
| 1.95% | 3 Month USD LIBOR | USD 6,900,000 | 07/30/2028 | Quarterly | (10,206) | (509,029) | (498,823) |
| 1.83% | 3 Month USD LIBOR | USD 6,600,000 | 11/12/2029 | Quarterly | — | (459,046) | (459,046) |
| 1.30% | 3 Month USD LIBOR | USD 10,027,000 | 12/19/2029 | Quarterly | — | (200,183) | (200,183) |
| 1.53% | 3 Month USD LIBOR | USD 6,400,000 | 02/11/2030 | Quarterly | — | (266,690) | (266,690) |
| | | | | | <u>\$(122,799)</u> | <u>\$(4,473,054)</u> | <u>\$(4,350,255)</u> |

OTC Total Return Swaps

| Fund Pays | Fund Receives | Counterparty | Notional Amount | Expiration Date | Periodic Payment Frequency | Premiums Paid/(Received) (\$) | Value (\$) | Net Unrealized Appreciation/(Depreciation) (\$) |
|-----------------------------|-------------------|--------------|-----------------|-----------------|----------------------------|-------------------------------|------------------|---|
| Total Return on iBoxx USD | | | | | | | | |
| Liquid Leverage Loans Index | 3 Month USD LIBOR | JPM | USD 9,999,999 | 03/20/2020 | Quarterly | 9,541 | 313,656 | 304,115 |
| Total Return on iBoxx USD | | | | | | | | |
| Liquid Leverage Loans Index | 3 Month USD LIBOR | MORD | USD 5,000,000 | 03/20/2020 | Quarterly | — | 113,157 | 113,157 |
| Total Return on iBoxx USD | | | | | | | | |
| Liquid Leverage Loans Index | 3 Month USD LIBOR | GS | USD 15,000,000 | 03/20/2020 | Quarterly | — | 183,814 | 183,814 |
| | | | | | | <u>\$9,541</u> | <u>\$610,627</u> | <u>\$601,086</u> |

As of February 29, 2020, for the above contracts and/or agreements, the Fund had sufficient cash and/or securities to cover commitments or collateral requirements, if any, of the relevant broker or exchange.

Notes to Schedule of Investments:

- † Denominated in U.S. Dollar, unless otherwise indicated.
- (a) Investment valued using significant unobservable inputs (Note 2).
- (b) Investment valued at fair value using methods determined in good faith by the Trustees of GMO Trust or persons acting at their direction pursuant to procedures approved by the Trustees. Investment valued using significant unobservable inputs (Note 2).
- (c) All or a portion of this security has been pledged to cover margin requirements on futures and/or cleared swap contracts, collateral on OTC swap contracts, forward currency contracts, and/or written options, if any (Note 4).

(d) The rate disclosed is the 7 day net yield as of February 29, 2020.

For a listing of definitions of acronyms, counterparty abbreviations and currency abbreviations used throughout the Schedule of Investments as well as the derivative tables, if any, please refer to page 56.

GMO U.S. Treasury Fund (A Series of GMO Trust)

Portfolio Management

Day-to-day management of the Fund's portfolio is the responsibility of the Short Duration Strategies team at Grantham, Mayo, Van Otterloo & Co. LLC.

Management Discussion and Analysis of Fund Performance

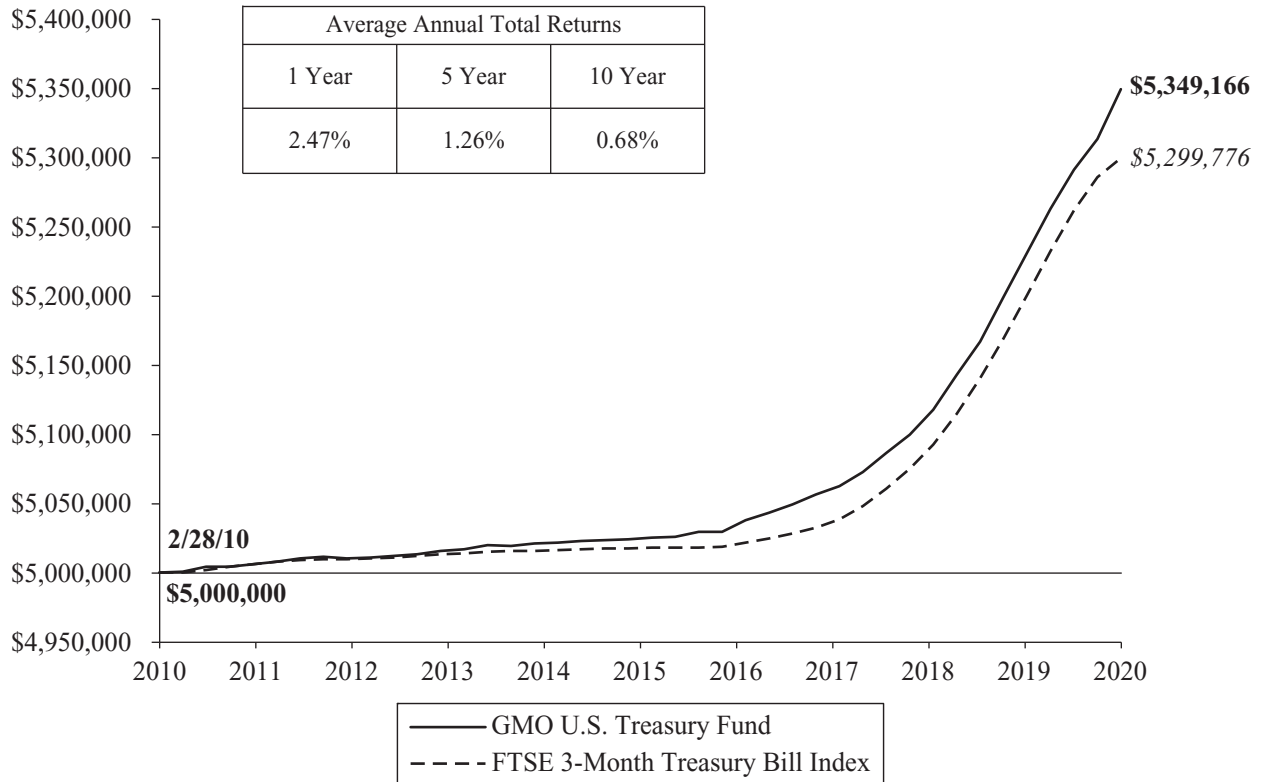
GMO U.S. Treasury Fund returned +2.47% (net) for the fiscal year ended February 29, 2020, as compared with +2.12% for the FTSE 3-Month Treasury Bill Index.

Security selection in U.S. Treasury Notes, Floating Rate Treasury Notes, and Federal Home Loan Bank Notes were the primary contributors to performance during the period. Security selection in repurchase agreements and U.S. Treasury Bills also added value during the fiscal year.

The views expressed herein are exclusively those of Grantham, Mayo, Van Otterloo & Co. LLC as of the date of this report and are subject to change. GMO disclaims any responsibility to update such views. They are not meant as investment advice. References to specific securities are not recommendations of such securities and may not be representative of any GMO portfolio's current or future investments. All information is unaudited.

GMO U.S. Treasury Fund
 (A Series of GMO Trust)

**Comparison of Change in Value of a \$5,000,000 Investment in
 GMO U.S. Treasury Fund and the FTSE 3-Month Treasury Bill Index
 As of February 29, 2020**



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 up to the most recent month-end, visit www.gmo.com. Performance shown is net of all fees after reimbursement from GMO. Returns would have been lower had certain expenses not been reimbursed during the periods shown and do not include the effect of taxes on distributions and redemptions. The performance information shown above only includes purchase premiums and/or redemption fees in effect as of February 29, 2020. All information is unaudited.

GMO U.S. Treasury Fund
(A Series of GMO Trust)
Investments Concentration Summary
February 29, 2020 (Unaudited)

| <u>Asset Class Summary</u> | <u>% of Total Net Assets</u> |
|----------------------------|------------------------------|
| Short-Term Investments | 105.1% |
| Other | (5.1) |
| | <u>100.0%</u> |

GMO U.S. Treasury Fund
(A Series of GMO Trust)
Schedule of Investment
(showing percentage of total net assets)
February 29, 2020

| Par Value† / Shares | Description | Value (\$) |
|--|---|-----------------------------|
| SHORT-TERM INVESTMENTS — 105.1% | | |
| U.S. Government — 89.1% | | |
| 38,000,000 | U.S. Treasury Note, 1.13%, due 02/28/21 | 38,017,813 |
| 26,000,000 | U.S. Treasury Note, 1.25%, due 03/31/21 | 26,051,797 |
| 10,000,000 | U.S. Treasury Note, 1.38%, due 04/30/21 | 10,034,375 |
| 99,000,000 | U.S. Treasury Note, Variable Rate, USBM + 0.30%, 1.81%, due 10/31/21 | 99,358,449 |
| 25,000,000 | U.S. Treasury Note, Variable Rate, USBM + 0.15%, 1.66%, due 01/31/22 | 24,994,672 |
| | Total U.S. Government | <u>198,457,106</u> |
| U.S. Government Agency — 15.7% | | |
| 15,000,000 | Federal Home Loan Banks, Variable Rate, SOFR + 0.08%, 1.66%, due 07/24/20 | 15,001,571 |
| 3,000,000 | Federal Home Loan Banks, Variable Rate, SOFR + 0.12%, 1.70%, due 10/07/20 | 3,001,080 |
| 12,000,000 | Federal Home Loan Banks, Variable Rate, SOFR + 0.13%, 1.71%, due 10/16/20 | 12,005,152 |
| 5,000,000 | Federal Home Loan Banks, Variable Rate, SOFR + 0.09%, 1.67%, due 09/10/21 | 4,997,963 |
| | Total U.S. Government Agency | <u>35,005,766</u> |
| Money Market Funds — 0.3% | | |
| 580,132 | State Street Institutional Treasury Plus Money Market Fund-Premier Class, 1.52% ^(a) | 580,132 |
| | TOTAL SHORT-TERM INVESTMENTS (COST \$233,368,796) | <u>234,043,004</u> |
| | TOTAL INVESTMENTS — 105.1% (Cost \$233,368,796) | 234,043,004 |
| | Other Assets and Liabilities (net) — (5.1%) | <u>(11,281,377)</u> |
| | TOTAL NET ASSETS — 100.0% | <u>\$222,761,627</u> |

Notes to Schedule of Investments:

† Denominated in U.S. Dollar, unless otherwise indicated.
(a) The rate disclosed is the 7 day net yield as of February 29, 2020.

For a listing of definitions of acronyms, counterparty abbreviations and currency abbreviations used throughout the Schedule of Investments as well as the derivative tables, if any, please refer to page 56.

GMO Trust Funds

Schedule of Investments — (Continued) February 29, 2020

Portfolio Abbreviations:

144A - Securities exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration, normally to qualified institutional investors.

AMBAC - Insured as to the payment of principal and interest by AMBAC Assurance Corporation.

AUD BBSW - Bank Bill Swap Reference Rate denominated in Australian Dollar.

CAD LIBOR - London Interbank Offered Rate denominated in Canadian Dollar.

CHF LIBOR - London Interbank Offered Rate denominated in Swiss Franc.

CJSC - Closed Joint-Stock Company

CLO - Collateralized Loan Obligation

CMBS - Commercial Mortgage Backed Security

CMT - Constant Maturity Treasury

COFI - Cost of Funds Index

CP - Counterparty

ETF - Exchange-Traded Fund

EURIBOR - Euro Interbank Offered Rate

FGIC - Insured as to the payment of principal and interest by Financial Guaranty Insurance Corporation.

FSA - Insured as to the payment of principal and interest by Financial Security Assurance.

GBP LIBOR - London Interbank Offered Rate denominated in British Pounds.

GDP - Gross Domestic Product

JSC - Joint-Stock Company

LIBOR - London Interbank Offered Rate

NZD Bank Bill Rate - Bank Bill Rate denominated in New Zealand Dollar.

OJSC - Open Joint-Stock Company

OTC - Over-the-Counter

Reg S - Security exempt from registration under Regulation S of the Securities Act of 1933, which exempts from registration securities offered and sold outside the United States. Security may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act of 1933.

REIT - Real Estate Investment Trust

SEK STIBOR - Stockholm Interbank Offered Rate denominated in Swedish Krona.

SOFR - Secured Overnight Financing Rate

TBA - To Be Announced - Delayed Delivery Security

USBM - U.S. Treasury 3 Month Bill Money Market Yield.

USD LIBOR - London Interbank Offered Rate denominated in United States Dollar.

XLCA - Insured as to the payment of principal and interest by XL Capital Assurance Inc.

The rates shown on variable rate notes are the current interest rates at February 29, 2020, which are subject to change based on the terms of the security.

Counterparty Abbreviations:

BCLY - Barclays Bank PLC

BOA - Bank of America, N.A.

CGMI - Citigroup Global Markets Inc.

CITI - Citibank N.A.

CSI - Credit Suisse International

DB - Deutsche Bank AG

GS - Goldman Sachs International

JPM - JPMorgan Chase Bank, N.A.

MORD - Morgan Stanley Capital Services LLC

MSCI - Morgan Stanley & Co. International PLC

Currency Abbreviations:

AUD - Australian Dollar

BRL - Brazilian Real

CAD - Canadian Dollar

CHF - Swiss Franc

CLP - Chilean Peso

COP - Colombian Peso

CZK - Czech Koruna

DOP - Dominican Peso

EUR - Euro

GBP - British Pound

HUF - Hungarian Forint

IDR - Indonesian Rupiah

ILS - Israeli Shekel

INR - Indian Rupee

JPY - Japanese Yen

KRW - South Korean Won

MXN - Mexican Peso

NOK - Norwegian Krone

NZD - New Zealand Dollar

PEN - Peruvian Sol

PHP - Philippine Peso

PLN - Polish Zloty

RON - Romanian Leu

RUB - Russian Ruble

SEK - Swedish Krona

SGD - Singapore Dollar

THB - Thai Baht

TRY - Turkish Lira

TWD - Taiwan Dollar

USD - United States Dollar

ZAR - South African Rand

GMO Trust Funds

Statements of Assets and Liabilities — February 29, 2020

| | Asset Allocation Bond Fund | Core Plus Bond Fund | Emerging Country Debt Fund |
|---|-------------------------------|-----------------------------|----------------------------------|
| Assets: | | | |
| Investments in affiliated issuers, at value (Notes 2 and 10) ^(a) | \$ 8,656,379 | \$ 142,229,239 | \$ 74,487,484 |
| Investments in unaffiliated issuers, at value (Note 2) ^(b) | 224,434,981 | 458,114,255 | 4,174,841,380 |
| Foreign currency, at value (Note 2) ^(c) | — | 5 | 228 |
| Cash | — | 18 | 991,639 |
| Receivable for investments sold | 11,394,045 | — | — |
| Receivable for Fund shares sold | — | — | 21,076 |
| Dividends and interest receivable | 326,159 | 523,622 | 64,327,826 |
| Unrealized appreciation on open forward currency contracts (Note 4) | — | 2,816,027 | 2,413,885 |
| Receivable for variation margin on open cleared swap contracts (Note 4) | — | — | 393,301 |
| Due from broker (Note 2) | — | 4,813,291 | 18,057,939 |
| Receivable for variation margin on open futures contracts (Note 4) | — | 1,458,671 | — |
| Receivable for open OTC swap contracts (Note 4) | — | 4,240,583 | 30,392,135 |
| Interest receivable for open OTC swap contracts (Note 4) | — | — | 1,354,887 |
| Receivable for expenses reimbursed and/or waived by GMO (Note 5) | 11,153 | 90,997 | 4,713 |
| Receivable for options (Note 4) ^(d) | — | — | 1,096,669 |
| Miscellaneous receivable | — | — | 1,929 |
| Total assets | <u>244,822,717</u> | <u>614,286,708</u> | <u>4,368,385,091</u> |
| Liabilities: | | | |
| Payable for investments purchased | 12,522 | — | 991,575 |
| Payable for Fund shares repurchased | 11,053,000 | — | 2,416,303 |
| Payable for purchases of delayed delivery securities | — | 79,242,788 | — |
| Payable to affiliate for (Note 5): | | | |
| Management fee | 48,294 | 104,147 | 1,227,360 |
| Shareholder service fee | 13,693 | 44,804 | 398,481 |
| Payable to agents unaffiliated with GMO | 113 | 135 | 864 |
| Payable for variation margin on open cleared swap contracts (Note 4) | — | 350,590 | — |
| Payable for closed swap contracts (Note 4) | — | 110,444 | 413,542 |
| Unrealized depreciation on open forward currency contracts (Note 4) | — | 4,008,336 | — |
| Interest payable for open OTC swap contracts (Note 4) | — | — | 787,289 |
| Payable for open OTC swap contracts (Note 4) | — | — | 8,580,394 |
| Payable for options (Note 4) ^(d) | — | — | 60,500 |
| Payable to Trustees and related expenses | 1,946 | 1,811 | 12,951 |
| Accrued expenses | 159,310 | 129,697 | 453,334 |
| Total liabilities | <u>11,288,878</u> | <u>83,992,752</u> | <u>15,342,593</u> |
| Net assets | <u>\$233,533,839</u> | <u>\$530,293,956</u> | <u>\$4,353,042,498</u> |
| ^(a) Cost of investments – affiliated issuers: | \$ 8,636,537 | \$ 144,560,138 | \$ 74,296,430 |
| ^(b) Cost of investments – unaffiliated issuers: | \$ 210,091,122 | \$ 444,150,179 | \$ 4,300,580,002 |
| ^(c) Cost of foreign currency: | \$ — | \$ 5 | \$ 231 |
| ^(d) Premiums on options: | \$ — | \$ — | \$ 6,212,481 |

GMO Trust Funds

Statements of Assets and Liabilities — February 29, 2020 — (Continued)

| | <u>Asset Allocation Bond Fund</u> | <u>Core Plus Bond Fund</u> | <u>Emerging Country Debt Fund</u> |
|---|---------------------------------------|--------------------------------|---|
| Net assets consist of: | | | |
| Paid-in capital | \$ 286,655,730 | \$ 530,193,350 | \$ 4,586,293,147 |
| Distributable earnings (accumulated loss) | (53,121,891) | 100,606 | (233,250,649) |
| | <u>\$233,533,839</u> | <u>\$530,293,956</u> | <u>\$4,353,042,498</u> |
| Net assets attributable to: | | | |
| Class III | \$ 41,124,146 | \$ 80,638,665 | \$ 1,133,944,969 |
| Class IV | \$ — | \$ 449,655,291 | \$ 3,219,097,529 |
| Class VI | \$ 192,409,693 | \$ — | \$ — |
| Shares outstanding: | | | |
| Class III | 1,814,915 | 3,633,592 | 41,410,812 |
| Class IV | — | 20,199,281 | 117,752,949 |
| Class VI | 8,469,448 | — | — |
| Net asset value per share: | | | |
| Class III | \$ 22.66 | \$ 22.19 | \$ 27.38 |
| Class IV | \$ — | \$ 22.26 | \$ 27.34 |
| Class VI | \$ 22.72 | \$ — | \$ — |

GMO Trust Funds

Statements of Assets and Liabilities — February 29, 2020 — (Continued)

| | High Yield Fund | Opportunistic Income Fund | U.S. Treasury Fund |
|---|-----------------------------|------------------------------|-----------------------------|
| Assets: | | | |
| Investments in affiliated issuers, at value (Notes 2 and 10) ^(a) | \$ 385,180 | \$ 10,256,103 | \$ — |
| Investments in unaffiliated issuers, at value (Note 2) ^(b) | 160,948,493 | 824,510,624 | 234,043,004 |
| Cash | — | 26,449 | 3 |
| Receivable for investments sold | — | 22,777,112 | — |
| Receivable for closed swap contracts (Note 4) | 20,813 | — | — |
| Dividends and interest receivable | 789,205 | 2,619,661 | 436,317 |
| Unrealized appreciation on open forward currency contracts (Note 4) | 73,968 | 16,629 | — |
| Receivable for variation margin on open cleared swap contracts (Note 4) | 19,440 | — | — |
| Due from broker (Note 2) | 833,289 | 5,871,575 | — |
| Receivable for variation margin on open futures contracts (Note 4) | 53,000 | 114,247 | — |
| Receivable for open OTC swap contracts (Note 4) | 4,326 | 20,694,724 | — |
| Interest receivable for open OTC swap contracts (Note 4) | — | 1,319,451 | — |
| Receivable for expenses reimbursed and/or waived by GMO (Note 5) | 72 | 46,325 | 11,793 |
| Total assets | <u>163,127,786</u> | <u>888,252,900</u> | <u>234,491,117</u> |
| Liabilities: | | | |
| Due to custodian | 295 | — | — |
| Payable for investments purchased | 1,087 | 21,503,305 | — |
| Payable for Fund shares repurchased | — | 7,357,749 | 11,480,000 |
| Payable for recoupment of past waived and/or reimbursement fees (Note 5) | 4,751 | — | — |
| Payable to affiliate for (Note 5): | | | |
| Management fee | 45,662 | 273,250 | 17,992 |
| Shareholder service fee | 7,176 | 39,243 | — |
| Payable to agents unaffiliated with GMO | 41 | 191 | 233 |
| Payable for variation margin on open cleared swap contracts (Note 4) | — | 873,938 | — |
| Payable for closed swap contracts (Note 4) | — | 251,373 | — |
| Dividend payable | — | — | 159,343 |
| Unrealized depreciation on open forward currency contracts (Note 4) | 693,657 | 47,595 | — |
| Interest payable for open OTC swap contracts (Note 4) | — | 547,254 | — |
| Payable for open OTC swap contracts (Note 4) | 139,080 | 6,663,849 | — |
| Payable for reverse repurchase agreements (Note 2) | 674,715 | — | — |
| Payable to Trustees and related expenses | 761 | 2,646 | 6,313 |
| Written options outstanding, at value (Note 4) ^(c) | — | 1,828,819 | — |
| Accrued expenses | 111,081 | 303,796 | 65,609 |
| Total liabilities | <u>1,678,306</u> | <u>39,693,008</u> | <u>11,729,490</u> |
| Net assets | <u>\$161,449,480</u> | <u>\$848,559,892</u> | <u>\$222,761,627</u> |
| ^(a) Cost of investments – affiliated issuers: | \$ 385,180 | \$ 10,215,242 | \$ — |
| ^(b) Cost of investments – unaffiliated issuers: | \$ 160,811,372 | \$ 826,078,174 | \$ 233,368,796 |
| ^(c) Premiums on written options: | \$ — | \$ 320,999 | \$ — |

GMO Trust Funds

Statements of Assets and Liabilities — February 29, 2020 — (Continued)

| | High Yield Fund | Opportunistic Income Fund | U.S. Treasury Fund |
|---|----------------------|------------------------------|-----------------------|
| Net assets consist of: | | | |
| Paid-in capital | \$ 161,175,354 | \$ 934,216,718 | \$ 223,084,063 |
| Distributable earnings (accumulated loss) | 274,126 | (85,656,826) | (322,436) |
| | \$161,449,480 | \$848,559,892 | \$222,761,627 |
| Net assets attributable to: | | | |
| Core Class | \$ — | \$ — | \$ 222,761,627 |
| Class VI | \$ 161,449,480 | \$ 825,875,879 | \$ — |
| Class I | \$ — | \$ 22,684,013 | \$ — |
| Shares outstanding: | | | |
| Core Class | — | — | 44,347,780 |
| Class VI | 8,097,342 | 31,585,522 | — |
| Class I | — | 868,409 | — |
| Net asset value per share: | | | |
| Core Class | \$ — | \$ — | \$ 5.02 |
| Class VI | \$ 19.94 | \$ 26.15 | \$ — |
| Class I | \$ — | \$ 26.12 | \$ — |

GMO Trust Funds

Statements of Operations — Year Ended February 29, 2020

| | Asset Allocation Bond Fund | Core Plus Bond Fund | Emerging Country Debt Fund |
|--|-------------------------------|----------------------------|----------------------------------|
| Investment Income: | | | |
| Interest | \$ 8,633,993 | \$ 4,610,080 | \$ 240,357,089 |
| Dividends from affiliated issuers (Note 10) | 272,581 | 8,890,932 | 1,515,361 |
| Dividends from unaffiliated issuers | 25,487 | 3,473,977 | 1,081,564 |
| Total investment income | <u>8,932,061</u> | <u>16,974,989</u> | <u>242,954,014</u> |
| Expenses: | | | |
| Management fee (Note 5) | 792,972 | 1,566,389 | 14,831,495 |
| Shareholder service fee – Class III (Note 5) | 98,233 | 121,994 | 1,977,500 |
| Shareholder service fee – Class IV (Note 5) | — | 545,226 | 2,919,237 |
| Shareholder service fee – Class VI (Note 5) | 138,435 | — | — |
| Audit and tax fees | 92,351 | 89,691 | 157,203 |
| Custodian, fund accounting agent and transfer agent fees | 71,538 | 142,209 | 685,463 |
| Legal fees | 15,569 | 37,973 | 275,445 |
| Registration fees | 2,968 | 3,121 | 24,955 |
| Trustees' fees and related expenses (Note 5) | 7,325 | 17,621 | 120,758 |
| Interest expense (Note 2) | 1,204 | 16,118 | 513,245 |
| Miscellaneous | 8,990 | 12,883 | 169,481 |
| Total expenses | <u>1,229,585</u> | <u>2,553,225</u> | <u>21,674,782</u> |
| Fees and expenses reimbursed and/or waived by GMO (Note 5) | (181,529) | (263,963) | — |
| Indirectly incurred management fees waived or borne by GMO (Note 5) | (5,062) | (651,232) | (39,785) |
| Indirectly incurred shareholder service fees waived or borne by GMO (Note 5) | — | (106,754) | — |
| Net expenses | <u>1,042,994</u> | <u>1,531,276</u> | <u>21,634,997</u> |
| Net investment income (loss) | <u>7,889,067</u> | <u>15,443,713</u> | <u>221,319,017</u> |
| Realized and unrealized gain (loss): | | | |
| Net realized gain (loss) on: | | | |
| Investments in unaffiliated issuers | 3,922,033 | 17,293,846 | 106,761,113 |
| Investments in affiliated issuers | 17,929 | 675,796 | — |
| Futures contracts | — | 8,088,238 | — |
| Options | 26,925 | 64,197 | (739,072) |
| Swap contracts | 1,526,196 | 5,625,601 | 3,517,228 |
| Forward currency contracts | 592,313 | 1,120,344 | 1,645,100 |
| Foreign currency and foreign currency related transactions | (31,097) | 825,600 | 8,042 |
| Net realized gain (loss) | <u>6,054,299</u> | <u>33,693,622</u> | <u>111,192,411</u> |
| Change in net unrealized appreciation (depreciation) on: | | | |
| Investments in unaffiliated issuers | 17,212,218 | 20,338,807 | 18,459,396 |
| Investments in affiliated issuers | 19,842 | 285,803 | 296,762 |
| Futures contracts | — | 2,142,312 | — |
| Options | (26,925) | (64,197) | 2,768,387 |
| Swap contracts | (929,229) | 3,102,045 | 792,364 |
| Forward currency contracts | (738,520) | (1,970,496) | 5,246,715 |
| Foreign currency and foreign currency related transactions | — | 1,115 | 21,414 |
| Net change in unrealized appreciation (depreciation) | <u>15,537,386</u> | <u>23,835,389</u> | <u>27,585,038</u> |
| Net realized and unrealized gain (loss) | <u>21,591,685</u> | <u>57,529,011</u> | <u>138,777,449</u> |
| Net increase (decrease) in net assets resulting from operations | <u>\$29,480,752</u> | <u>\$72,972,724</u> | <u>\$360,096,466</u> |

GMO Trust Funds

Statements of Operations — Year Ended February 29, 2020 — (Continued)

| | High Yield Fund | Opportunistic Income Fund | U.S. Treasury Fund |
|--|----------------------------|------------------------------|----------------------------|
| Investment Income: | | | |
| Interest | \$ 4,859,280 | \$ 55,991,485 | \$ 10,123,459 |
| Dividends from unaffiliated issuers | 1,237,344 | 123,180 | 18,371 |
| Dividends from affiliated issuers (Note 10) | 66,536 | 222,550 | — |
| Total investment income | <u>6,163,160</u> | <u>56,337,215</u> | <u>10,141,830</u> |
| Expenses: | | | |
| Management fee (Note 5) | 747,275 | 3,765,990 | 388,937 |
| Shareholder service fee – Class VI (Note 5) | 117,429 | 515,486 | — |
| Shareholder service fee – Class I (Note 5) | — | 6,376* | — |
| Audit and tax fees | 77,251 | 125,545 | 42,370 |
| Custodian, fund accounting agent and transfer agent fees | 41,964 | 185,364 | 60,339 |
| Legal fees | 29,689 | 178,952 | 21,383 |
| Registration fees | 17 | 499 | 1,509 |
| Trustees' fees and related expenses (Note 5) | 6,361 | 26,862 | 12,960 |
| Interest expense (Note 2) | 56,439 | 5,064 | — |
| Recoupment of past waived and/or reimbursed fees (Note 5) | 73,030 | — | — |
| Miscellaneous | 15,515 | 36,772 | 11,109 |
| Total expenses | <u>1,164,970</u> | <u>4,846,910</u> | <u>538,607</u> |
| Fees and expenses reimbursed and/or waived by GMO (Note 5) | — | (367,979) | (257,021) |
| Indirectly incurred management fees waived or borne by GMO (Note 5) | (775) | (5,452) | — |
| Net expenses | <u>1,164,195</u> | <u>4,473,479</u> | <u>281,586</u> |
| Net investment income (loss) | <u>4,998,965</u> | <u>51,863,736</u> | <u>9,860,244</u> |
| Realized and unrealized gain (loss): | | | |
| Net realized gain (loss) on: | | | |
| Investments in unaffiliated issuers | 1,421,302 | 4,520,768 | 1,018,767 |
| Investments in affiliated issuers | 1,062 | (2,899) | — |
| Futures contracts | 1,246,174 | 6,839,209 | — |
| Written options | — | 697,822 | — |
| Swap contracts | 10,112,629 | (6,469,348) | — |
| Forward currency contracts | 907,215 | (60,218) | — |
| Foreign currency and foreign currency related transactions | (79,072) | (12,319) | — |
| Net realized gain (loss) | <u>13,609,310</u> | <u>5,513,015</u> | <u>1,018,767</u> |
| Change in net unrealized appreciation (depreciation) on: | | | |
| Investments in unaffiliated issuers | (190,985) | (4,799,714) | 864,705 |
| Investments in affiliated issuers | — | 43,760 | — |
| Futures contracts | 144,811 | 422,225 | — |
| Written options | — | (1,648,251) | — |
| Swap contracts | (2,604,471) | (1,610,924) | — |
| Forward currency contracts | (1,106,391) | (30,432) | — |
| Foreign currency and foreign currency related transactions | — | (228) | — |
| Net change in unrealized appreciation (depreciation) | <u>(3,757,036)</u> | <u>(7,623,564)</u> | <u>864,705</u> |
| Net realized and unrealized gain (loss) | <u>9,852,274</u> | <u>(2,110,549)</u> | <u>1,883,472</u> |
| Net increase (decrease) in net assets resulting from operations | <u>\$14,851,239</u> | <u>\$49,753,187</u> | <u>\$11,743,716</u> |

* Period from November 5, 2019 (commencement of operations) through February 29, 2020.

GMO Trust Funds

Statements of Changes in Net Assets

| | Asset Allocation Bond Fund | | Core Plus Bond Fund | |
|---|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| | Year Ended February 29, 2020 | Year Ended February 28, 2019 | Year Ended February 29, 2020 | Year Ended February 28, 2019 |
| Increase (decrease) in net assets: | | | | |
| Operations: | | | | |
| Net investment income (loss) | \$ 7,889,067 | \$ 16,237,207 | \$ 15,443,713 | \$ 17,962,198 |
| Net realized gain (loss) | 6,054,299 | (7,202,984) | 33,693,622 | 8,316,836 |
| Change in net unrealized appreciation (depreciation) | 15,537,386 | 12,325,263 | 23,835,389 | 8,799,016 |
| Net increase (decrease) in net assets from operations | 29,480,752 | 21,359,486 | 72,972,724 | 35,078,050 |
| Distributions to shareholders: | | | | |
| Class III | (2,812,796) | (4,684,062) | (4,223,692) | (2,096,439) |
| Class IV | — | — | (27,712,585) | (31,186,788) |
| Class VI | (10,562,420) | (18,119,873) | — | — |
| Total distributions | (13,375,216) | (22,803,935) | (31,936,277) | (33,283,227) |
| Net share transactions (Note 9): | | | | |
| Class III | (44,781,434) | (124,498,378) | (8,936,625) | 49,702,985 |
| Class IV | — | — | (166,424,406) | (342,156,707) |
| Class VI | (126,433,401) | (711,557,145) | — | — |
| Increase (decrease) in net assets resulting from net share transactions | (171,214,835) | (836,055,523) | (175,361,031) | (292,453,722) |
| Total increase (decrease) in net assets | (155,109,299) | (837,499,972) | (134,324,584) | (290,658,899) |
| Net assets: | | | | |
| Beginning of period | 388,643,138 | 1,226,143,110 | 664,618,540 | 955,277,439 |
| End of period | \$ 233,533,839 | \$ 388,643,138 | \$ 530,293,956 | \$ 664,618,540 |

GMO Trust Funds

Statements of Changes in Net Assets — (Continued)

| | Emerging Country Debt Fund | | High Yield Fund | |
|--|---------------------------------|---------------------------------|---------------------------------|---|
| | Year Ended February 29, 2020 | Year Ended February 28, 2019 | Year Ended February 29, 2020 | Period from June 25, 2018 (commencement of operations) through February 28, 2019 |
| Increase (decrease) in net assets: | | | | |
| Operations: | | | | |
| Net investment income (loss) | \$ 221,319,017 | \$ 198,181,993 | \$ 4,998,965 | \$ 2,900,494 |
| Net realized gain (loss) | 111,192,411 | 25,424,719 | 13,609,310 | 4,204,205 |
| Change in net unrealized appreciation (depreciation) | 27,585,038 | (185,787,980) | (3,757,036) | 3,049,678 |
| Net increase (decrease) in net assets from operations | 360,096,466 | 37,818,732 | 14,851,239 | 10,154,377 |
| Distributions to shareholders: | | | | |
| Class III | (86,984,349) | (88,640,894) | — | — |
| Class IV | (184,491,074) | (199,249,504) | — | — |
| Class VI | — | — | (16,679,907) | (8,155,753) |
| Total distributions | (271,475,423) | (287,890,398) | (16,679,907) | (8,155,753) |
| Net share transactions (Note 9): | | | | |
| Class III | (193,723,603) | 97,793,087 | — | — |
| Class IV | 310,461,408 | 155,415,222 | — | — |
| Class VI | — | — | (49,483,824) | 210,763,348 |
| Increase (decrease) in net assets resulting from net share transactions | 116,737,805 | 253,208,309 | (49,483,824) | 210,763,348 |
| Purchase premiums and redemption fees (Notes 2 and 9): | | | | |
| Class III | 1,185,127 | 1,446,323 | — | — |
| Class IV | 2,605,465 | 3,144,860 | — | — |
| Increase in net assets resulting from purchase premiums and redemption fees | 3,790,592 | 4,591,183 | — | — |
| Total increase (decrease) in net assets resulting from net share transactions, purchase premiums and redemption fees | 120,528,397 | 257,799,492 | (49,483,824) | 210,763,348 |
| Total increase (decrease) in net assets | 209,149,440 | 7,727,826 | (51,312,492) | 212,761,972 |
| Net assets: | | | | |
| Beginning of period | 4,143,893,058 | 4,136,165,232 | 212,761,972 | — |
| End of period | \$4,353,042,498 | \$4,143,893,058 | \$161,449,480 | \$212,761,972 |

GMO Trust Funds

Statements of Changes in Net Assets — (Continued)

| | Opportunistic Income Fund | | U.S. Treasury Fund | |
|--|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| | Year Ended February 29, 2020 | Year Ended February 28, 2019 | Year Ended February 29, 2020 | Year Ended February 28, 2019 |
| Increase (decrease) in net assets: | | | | |
| Operations: | | | | |
| Net investment income (loss) | \$ 51,863,736 | \$ 54,376,560 | \$ 9,860,244 | \$ 27,557,392 |
| Net realized gain (loss) | 5,513,015 | 15,537,970 | 1,018,767 | (755,612) |
| Change in net unrealized appreciation (depreciation) | (7,623,564) | (33,793,317) | 864,705 | 1,016,591 |
| Net increase (decrease) in net assets from operations | 49,753,187 | 36,121,213 | 11,743,716 | 27,818,371 |
| Distributions to shareholders: | | | | |
| Core Class | — | — | (9,860,244) | (27,557,392) |
| Class VI | (48,827,021) | (45,077,214) | — | — |
| Class I | (249,504)* | — | — | — |
| Total distributions | (49,076,525) | (45,077,214) | (9,860,244) | (27,557,392) |
| Net share transactions (Note 9): | | | | |
| Core Class | — | — | (414,899,246) | (1,689,189,143) |
| Class VI | (176,144,018) | (197,886,568) | — | — |
| Class I | 22,560,690* | — | — | — |
| Increase (decrease) in net assets resulting from net share transactions | (153,583,328) | (197,886,568) | (414,899,246) | (1,689,189,143) |
| Purchase premiums and redemption fees (Notes 2 and 9): | | | | |
| Class VI | 320,758 | 2,034,100 | — | — |
| Increase in net assets resulting from purchase premiums and redemption fees | 320,758 | 2,034,100 | — | — |
| Total increase (decrease) in net assets resulting from net share transactions, purchase premiums and redemption fees | (153,262,570) | (195,852,468) | (414,899,246) | (1,689,189,143) |
| Total increase (decrease) in net assets | (152,585,908) | (204,808,469) | (413,015,774) | (1,688,928,164) |
| Net assets: | | | | |
| Beginning of period | 1,001,145,800 | 1,205,954,269 | 635,777,401 | 2,324,705,565 |
| End of period | \$ 848,559,892 | \$1,001,145,800 | \$ 222,761,627 | \$ 635,777,401 |

* Period from November 5, 2019 (commencement of operations) through February 29, 2020.

GMO Trust Funds

Statement of Cash Flows — Year Ended February 29, 2020

| | Emerging Country Debt Fund |
|---|---|
| Cash flows from operating activities | |
| Net increase (decrease) in net assets resulting from operations | \$ 360,096,466 |
| Adjustments to reconcile net increase (decrease) in net assets resulting from operations to net cash provided by (used in) operating activities: | |
| Net change in unrealized (appreciation) depreciation | (27,585,038) |
| Net realized (gain) loss | (111,192,411) |
| Cost of purchased investments held long | (1,968,958,499) |
| Proceeds from sale of investments held long | 1,877,842,464 |
| Net amortization of discount and accretion of premium | (18,274,221) |
| Short-term investments, net | 103,575,447 |
| Gain (loss) from derivatives: | |
| Swap contracts | (20,261,233) |
| Forward currency contracts | 1,645,100 |
| Foreign currency and foreign currency related transactions | 29,456 |
| Change in assets and liabilities: | |
| (Increase) decrease in due from broker | (9,029,301) |
| (Increase) decrease in dividends and interest receivable | (7,860,806) |
| (Increase) decrease in receivable for expenses reimbursed and/or waived by GMO | (4,713) |
| (Increase) decrease in interest receivable for open OTC swap contracts | 919,034 |
| Increase (decrease) in payable to affiliate for: | |
| Management fee | 120,562 |
| Shareholder service fee | 33,144 |
| Increase (decrease) in payable to agents unaffiliated with the GMO | 150 |
| Increase (decrease) in payable for closed swap contracts | 413,542 |
| Increase (decrease) in payable to Trustees and related expenses | 2,093 |
| Increase (decrease) in interest payable for open OTC swap contracts | 16,997 |
| Increase (decrease) in accrued expenses | 24,957 |
| Net Cash Provided by Operating Activities | <u>181,553,190</u> |
| Cash flows from financing activities: | |
| Proceeds from shares sold | 769,872,099 |
| Shares repurchased | (890,916,733) |
| Cash distributions Paid | (31,320,480) |
| Purchase premiums and redemption fees | 3,790,592 |
| Increase (decrease) in payable for reverse repurchase agreements | (44,592,190) |
| Net cash provided by (used in) financing activities | <u>(193,166,712)</u> |
| Net increase (decrease) in cash | (11,613,522) |
| Cash, beginning of year | 12,605,389 |
| Cash, end of year | <u>\$ 991,867</u> |

GMO Trust Funds

Financial Highlights

(For a share outstanding throughout each period)

ASSET ALLOCATION BOND FUND

| | Class III Shares | | | | | Class VI Shares | | | | |
|---|----------------------------|----------------------|----------------------|----------------------|----------------------|----------------------------|----------------------|----------------------|----------------------|----------------------|
| | Year Ended February 28/29, | | | | | Year Ended February 28/29, | | | | |
| | 2020 | 2019 | 2018 | 2017 | 2016 | 2020 | 2019 | 2018 | 2017 | 2016 |
| Net asset value, beginning of period | \$ 21.61 | \$ 21.95 | \$ 22.15 | \$ 22.16 | \$ 26.36 | \$ 21.67 | \$ 22.02 | \$ 22.23 | \$ 22.21 | \$ 26.40 |
| Income (loss) from investment operations: | | | | | | | | | | |
| Net investment income (loss) ^{(a)†} | 0.55 | 0.54 | 0.33 | 0.18 | 0.01 | 0.56 | 0.57 | 0.36 | 0.21 | 0.06 |
| Net realized and unrealized gain (loss) | 1.52 | 0.18 | (0.31) | (0.19) | (2.58) | 1.53 | 0.18 | (0.33) | (0.19) | (2.61) |
| Total from investment operations | 2.07 | 0.72 | 0.02 | (0.01) | (2.57) | 2.09 | 0.75 | 0.03 | 0.02 | (2.55) |
| Less distributions to shareholders: | | | | | | | | | | |
| From net investment income | (1.02) | (1.06) | (0.22) | — | (1.63) | (1.04) | (1.10) | (0.24) | — | (1.64) |
| Total distributions | (1.02) | (1.06) | (0.22) | — | (1.63) | (1.04) | (1.10) | (0.24) | — | (1.64) |
| Net asset value, end of period | \$ 22.66 | \$ 21.61 | \$ 21.95 | \$ 22.15 | \$ 22.16 | \$ 22.72 | \$ 21.67 | \$ 22.02 | \$ 22.23 | \$ 22.21 |
| Total Return^(b) | 9.74% | 3.37% | 0.07% | (0.05)% | (9.88)% | 9.83% | 3.48% | 0.12% | 0.09% | (9.79)% |
| Ratios/Supplemental Data: | | | | | | | | | | |
| Net assets, end of period (000's) | \$41,124 | \$82,801 | \$207,008 | \$282,272 | \$352,828 | \$192,410 | \$305,842 | \$1,019,135 | \$1,209,721 | \$1,888,505 |
| Net operating expenses to average daily net assets | 0.40% ^(c) | 0.41% ^(c) | 0.41% | 0.41% ^(c) | 0.40% ^(c) | 0.31% ^(c) | 0.31% ^(c) | 0.31% | 0.31% ^(c) | 0.31% ^(c) |
| Interest and/or dividend expenses and/or borrowing costs to average daily net assets ^(d) | 0.00% ^(c) | 0.00% ^(c) | 0.00% ^(c) | 0.00% ^(c) | 0.02% | 0.00% ^(c) | 0.00% ^(c) | 0.00% ^(c) | 0.00% ^(c) | 0.02% |
| Total net expenses to average daily net assets | 0.40% ^(c) | 0.41% ^(c) | 0.41% | 0.41% ^(c) | 0.42% ^(c) | 0.31% ^(c) | 0.31% ^(c) | 0.31% | 0.31% ^(c) | 0.33% ^(c) |
| Net investment income (loss) to average daily net assets ^(a) | 2.49% | 2.48% | 1.50% | 0.81% | 0.03% | 2.49% | 2.57% | 1.59% | 0.94% | 0.27% |
| Portfolio turnover rate | 16% ^(f) | 59% ^(f) | 89% | 130% ^(f) | 177% | 16% ^(f) | 59% ^(f) | 89% | 130% ^(f) | 177% |
| Fees and expenses reimbursed and/or waived by GMO to average daily net assets: | 0.06% ^(g) | 0.04% | 0.02% | 0.02% | 0.03% | 0.06% ^(g) | 0.04% | 0.02% | 0.02% | 0.03% |

^(a) Net investment income is affected by the timing of the declaration of dividends by the other GMO Funds and/or other investment companies in which the Fund invests, if any.

^(b) The total returns would have been lower had certain expenses not been reimbursed and/or waived during the periods shown, if applicable, and assumes the effect of reinvested distributions, if any. Calculation excludes purchase premiums and redemption fees which are borne by the shareholder purchasing or redeeming Fund shares, if any.

^(c) Net expenses exclude expenses incurred indirectly through investment in the underlying funds (Note 5).

^(d) Interest and dividend expense and/or borrowing costs incurred as a result of entering into reverse repurchase agreements and/or margin on cleared swap contracts, if any, is included in the Fund's net expenses. Income earned on investing proceeds from reverse repurchase agreements, if any, is included in interest income.

^(e) Rounds to less than 0.01%.

^(f) The portfolio turnover rate excludes investments in GMO U.S. Treasury Fund ("USTF") which is used as a short-term investment vehicle for cash management. The Fund's portfolio turnover rate during the years ended February 29, 2020, February 28, 2019 and February 28, 2017, including transactions in USTF, was 37%, 88% and 126%, respectively, of the average value of its portfolio.

^(g) Ratio includes indirect fees waived or borne by GMO.

† Calculated using average shares outstanding throughout the period.

GMO Trust Funds

Financial Highlights

(For a share outstanding throughout each period)

CORE PLUS BOND FUND

| | Class III Shares | | | | | Class IV Shares | | | | |
|---|----------------------------|----------------------|----------------------|----------------------|---------------------|----------------------------|----------------------|----------------------|----------------------|---------------------|
| | Year Ended February 28/29, | | | | | Year Ended February 28/29, | | | | |
| | 2020 | 2019 | 2018 | 2017 ^(a) | 2016 ^(a) | 2020 | 2019 | 2018 | 2017 ^(a) | 2016 ^(a) |
| Net asset value, beginning of period | \$ 20.88 | \$ 20.93 | \$ 21.10 | \$ 21.39 | \$ 23.43 | \$ 20.94 | \$ 20.98 | \$ 21.15 | \$ 21.45 | \$ 23.49 |
| Income (loss) from investment operations: | | | | | | | | | | |
| Net investment income (loss) ^{(b)†} | 0.53 | 0.51 | 0.41 | 0.26 | 0.24 | 0.54 | 0.48 | 0.46 | 0.24 | 0.27 |
| Net realized and unrealized gain (loss) | 2.01 | 0.49 | (0.06) | 0.25 | (1.14) | 2.02 | 0.53 | (0.10) | 0.29 | (1.17) |
| Total from investment operations | 2.54 | 1.00 | 0.35 | 0.51 | (0.90) | 2.56 | 1.01 | 0.36 | 0.53 | (0.90) |
| Less distributions to shareholders: | | | | | | | | | | |
| From net investment income | (0.64) | (1.05) | (0.52) | (0.80) | (1.14) | (0.65) | (1.05) | (0.53) | (0.83) | (1.14) |
| From net realized gains | (0.59) | — | — | — | — | (0.59) | — | — | — | — |
| Total distributions | (1.23) | (1.05) | (0.52) | (0.80) | (1.14) | (1.24) | (1.05) | (0.53) | (0.83) | (1.14) |
| Net asset value, end of period | \$ 22.19 | \$ 20.88 | \$ 20.93 | \$ 21.10 | \$ 21.39 | \$ 22.26 | \$ 20.94 | \$ 20.98 | \$ 21.15 | \$ 21.45 |
| Total Return^(c) | 12.38% | 4.88% | 1.61% | 2.44% | (3.93)% | 12.44% | 4.93% | 1.68% | 2.55% | (3.91)% |
| Ratios/Supplemental Data: | | | | | | | | | | |
| Net assets, end of period (000's) | \$80,639 | \$84,163 | \$34,641 | \$22,172 | \$52,187 | \$449,655 | \$580,456 | \$920,637 | \$566,433 | \$215,060 |
| Net operating expenses to average daily net assets ^(d) | 0.29% | 0.29% | 0.29% | 0.35% | 0.35% | 0.24% | 0.24% | 0.24% | 0.30% | 0.30% |
| Interest and/or dividend expenses and/or borrowing costs to average daily net assets ^(e) | 0.00% ^(f) | 0.00% ^(f) | 0.00% ^(f) | 0.00% ^(f) | 0.01% | 0.00% ^(f) | 0.00% ^(f) | 0.00% ^(f) | 0.00% ^(f) | 0.01% |
| Total net expenses to average daily net assets ^(d) | 0.29% | 0.29% | 0.29% | 0.35% | 0.36% | 0.24% | 0.24% | 0.24% | 0.30% | 0.31% |
| Net investment income (loss) to average daily net assets ^(b) | 2.43% | 2.41% | 1.91% | 1.21% | 1.14% | 2.47% ^(g) | 2.29% | 2.14% | 1.10% | 1.17% |
| Portfolio turnover rate | 215% ^(g) | 201% ^(g) | 198% ^(g) | 216% ^(g) | 21% | 215% ^(g) | 201% ^(g) | 198% ^(g) | 216% ^(g) | 21% |
| Fees and expenses reimbursed and/or waived by GMO to average daily net assets: ^(h) | 0.16% | 0.16% | 0.14% | 0.30% | 0.21% | 0.16% | 0.15% | 0.14% | 0.26% | 0.21% |

^(a) Per share amounts were adjusted to reflect a 1:3 reverse stock split effective July 15, 2016.

^(b) Net investment income is affected by the timing of the declaration of dividends by the other GMO Funds and/or other investment companies in which the Fund invests, if any.

^(c) The total returns would have been lower had certain expenses not been reimbursed and/or waived during the periods shown, if applicable, and assumes the effect of reinvested distributions, if any. Calculation excludes purchase premiums and redemption fees which are borne by the shareholder purchasing or redeeming Fund shares, if any.

^(d) Net expenses exclude expenses incurred indirectly through investment in the underlying funds (Note 5).

^(e) Interest and dividend expense and/or borrowing costs incurred as a result of entering into reverse repurchase agreements and/or margin on cleared swap contracts, if any, is included in the Fund's net expenses. Income earned on investing proceeds from reverse repurchase agreements, if any, is included in interest income.

^(f) Rounds to less than 0.01%.

^(g) The portfolio turnover rate excludes investments in GMO U.S. Treasury Fund ("USTF") which is used as a short-term investment vehicle for cash management. The Fund's portfolio turnover rate during the years ended February 29, 2020, February 28, 2019, February 28, 2018 and February 28, 2017, including transactions in USTF, was 285%, 250%, 221% and 325%, respectively, of the average value of its portfolio.

^(h) Ratio includes indirect fees waived or borne by GMO.

† Calculated using average shares outstanding throughout the period.

GMO Trust Funds

Financial Highlights

(For a share outstanding throughout each period)

EMERGING COUNTRY DEBT FUND

| | Class III Shares | | | | | Class IV Shares | | | | |
|---|----------------------------|----------------------|----------------------|------------------------|------------------------|----------------------------|----------------------|----------------------|------------------------|------------------------|
| | Year Ended February 28/29, | | | | | Year Ended February 28/29, | | | | |
| | 2020 | 2019 | 2018 | 2017 ^(a) | 2016 ^(a) | 2020 | 2019 | 2018 | 2017 ^(a) | 2016 ^(a) |
| Net asset value, beginning of period | \$ 26.82 | \$ 28.62 | \$ 28.99 | \$ 26.01 | \$ 28.47 | \$ 26.77 | \$ 28.57 | \$ 28.95 | \$ 25.98 | \$ 28.44 |
| Income (loss) from investment operations: | | | | | | | | | | |
| Net investment income (loss) ^{(b)†} | 1.44 | 1.36 | 1.36 | 1.94 | 1.53 | 1.43 | 1.37 | 1.39 | 1.95 | 1.53 |
| Net realized and unrealized gain (loss) | 0.91 | (1.19) | 0.32 | 3.01 ^(c) | (2.04) | 0.94 | (1.19) | 0.29 | 3.01 ^(c) | (2.01) |
| Total from investment operations | 2.35 | 0.17 | 1.68 | 4.95 | (0.51) | 2.37 | 0.18 | 1.68 | 4.96 | (0.48) |
| Less distributions to shareholders: | | | | | | | | | | |
| From net investment income | (1.79) | (1.97) | (2.05) | (1.97) | (1.95) | (1.80) | (1.98) | (2.06) | (1.99) | (1.98) |
| Total distributions | (1.79) | (1.97) | (2.05) | (1.97) | (1.95) | (1.80) | (1.98) | (2.06) | (1.99) | (1.98) |
| Net asset value, end of period | \$ 27.38 | \$ 26.82 | \$ 28.62 | \$ 28.99 | \$ 26.01 | \$ 27.34 | \$ 26.77 | \$ 28.57 | \$ 28.95 | \$ 25.98 |
| Total Return^(d) | 8.97% | 0.97% | 5.81% | 19.47% | (1.77)% | 9.08% | 1.02% | 5.83% | 19.50% | (1.73)% |
| Ratios/Supplemental Data: | | | | | | | | | | |
| Net assets, end of period (000's) | \$1,133,945 | \$1,294,577 | \$1,273,188 | \$1,067,086 | \$827,667 | \$3,219,098 | \$2,849,316 | \$2,862,977 | \$3,018,159 | \$3,099,809 |
| Net operating expenses to average daily net assets ^(e) | 0.53% | 0.52% | 0.53% | 0.54% | 0.54% | 0.48% | 0.47% | 0.48% | 0.49% | 0.49% |
| Interest and/or dividend expenses and/or borrowing costs to average daily net assets ^(f) | 0.01% | 0.02% | 0.00% ^(g) | — | 0.00% ^(g) | 0.01% | 0.02% | 0.00% ^(f) | — | 0.00% ^(f) |
| Total net expenses to average daily net assets ^(e) | 0.54% | 0.54% | 0.53% | 0.54% | 0.54% | 0.49% | 0.49% | 0.48% | 0.49% | 0.49% |
| Net investment income (loss) to average daily net assets ^(b) | 5.23% | 4.99% | 4.57% | 6.76% | 5.58% | 5.22% | 5.04% | 4.67% | 6.81% | 5.60% |
| Portfolio turnover rate | 41% ^(h) | 15% ^(h) | 34% ^(h) | 21% ^(h) | 20% | 41% ^(h) | 15% ^(h) | 34% ^(h) | 21% ^(h) | 20% |
| Fees and expenses reimbursed and/or waived by GMO to average daily net assets: ⁽ⁱ⁾ | 0.00% ^(g) | 0.00% ^(g) | 0.00% ^(g) | 0.00% ^(g) | 0.00% ^(g) | 0.00% ^(g) | 0.00% ^(g) | 0.00% ^(g) | 0.00% ^(g) | 0.00% ^(g) |
| Purchase premiums and redemption fees consisted of the following per share amounts (Note 2): [†] | \$ 0.03 | \$ 0.03 | \$ 0.03 | \$ 0.04 ^(a) | \$ 0.04 ^(a) | \$ 0.03 | \$ 0.03 | \$ 0.03 | \$ 0.04 ^(a) | \$ 0.04 ^(a) |

^(a) Per share amounts were adjusted to reflect a 1:3 reverse stock split effective July 15, 2016.

^(b) Net investment income is affected by the timing of the declaration of dividends by the other GMO Funds and/or other investment companies in which the Fund invests, if any.

^(c) Includes realized gain per share of \$0.23 and \$0.23, respectively, as a result of litigation on Argentinian sovereign debt. Excluding this income, the Fund's realized gain per share would have been \$2.78 and \$2.78, respectively.

^(d) The total returns would have been lower had certain expenses not been reimbursed and/or waived during the periods shown, if applicable, and assumes the effect of reinvested distributions, if any. Calculation excludes purchase premiums and redemption fees which are borne by the shareholder purchasing or redeeming Fund shares, if any.

^(e) Net expenses exclude expenses incurred indirectly through investment in the underlying funds (Note 5).

^(f) Interest and dividend expense and/or borrowing costs incurred as a result of entering into reverse repurchase agreements or securities sold short, if any, is included in the Fund's net expenses. Income earned on investing proceeds from reverse repurchase agreements, if any, is included in interest income.

^(g) Rounds to less than 0.01%.

^(h) The portfolio turnover rate excludes investments in GMO U.S. Treasury Fund ("USTF") which is used as a short-term investment vehicle for cash management. The Fund's portfolio turnover rate during the years ended February 29, 2020, February 28, 2019, February 28, 2018 and February 28, 2017, including transactions in USTF, was 40%, 15%, 33% and 23%, respectively, of the average value of its portfolio.

⁽ⁱ⁾ Ratio includes indirect fees waived or borne by GMO.

[†] Calculated using average shares outstanding throughout the period.

GMO Trust Funds

Financial Highlights

(For a share outstanding throughout each period)

HIGH YIELD FUND

| | Class VI Shares | |
|---|------------------------------------|---|
| | Year Ended February 29, 2020 | Period From June 25, 2018 (commencement of operations) through February 28, 2019 |
| Net asset value, beginning of period | \$ 20.21 | \$ 20.00 |
| Income (loss) from investment operations: | | |
| Net investment income (loss) ^{(a)†} | 0.48 | 0.27 |
| Net realized and unrealized gain (loss) | 0.82 | 0.71 |
| Total from investment operations | 1.30 | 0.98 |
| Less distributions to shareholders: | | |
| From net investment income | (1.57) | (0.61) |
| From net realized gains | — | (0.16) |
| Total distributions | (1.57) | (0.77) |
| Net asset value, end of period | \$ 19.94 | \$ 20.21 |
| Total Return^(b) | 6.40% | 5.07%** |
| Ratios/Supplemental Data: | | |
| Net assets, end of period (000's) | \$161,449 | \$212,762 |
| Net operating expenses to average daily net assets ^(c) | 0.52% ^(d) | 0.51% ^(d) |
| Interest and/or dividend expenses and/or borrowing costs to average daily net assets ^(e) | 0.03% | 0.04%* |
| Total net expenses to average daily net assets ^(c) | 0.55% | 0.55%* |
| Net investment income (loss) to average daily net assets ^(a) | 2.34% | 2.00%* |
| Portfolio turnover rate ^(f) | 105% | 81%** |
| Fees and expenses reimbursed and/or waived by GMO to average daily net assets: | 0.00% ^{(g)(h)} | 0.12%* |

- (a) Net investment income is affected by the timing of the declaration of dividends by other GMO Funds and/or other investment companies in which the Fund invests, if any.
- (b) The total returns would have been lower had certain expenses not been reimbursed and/or waived during the periods shown, if applicable, and assumes the effect of reinvested distributions, if any. Calculation excludes purchase premiums and redemption fees which are borne by the shareholder purchasing or redeeming Fund shares, if any.
- (c) Net expenses exclude expenses incurred indirectly through investment in the underlying funds (Note 5).
- (d) Includes recoupment of past reimbursed and/or waived fees (Note 5).
- (e) Interest and dividend expense and/or borrowing costs incurred as a result of entering into reverse repurchase agreements and/or margin on cleared swap contracts, if any, is included in the Fund's net expenses. Income earned on investing proceeds from reverse repurchase agreements, if any, is included in interest income.
- (f) The portfolio turnover rate excludes investments in GMO U.S. Treasury Fund ("USTF") which is used as a short-term investment vehicle for cash management. The Fund's portfolio turnover rate during the year ended February 29, 2020 and period ended February 28, 2019, including transactions in USTF, was 214% and 159%, respectively, of the average value of its portfolio.
- (g) Rounds to less than 0.01%.
- (h) Ratio includes indirect fees waived or borne by GMO.
- † Calculated using average shares outstanding throughout the period.
- * Annualized.
- ** Not annualized.

GMO Trust Funds

Financial Highlights

(For a share outstanding throughout each period)

OPPORTUNISTIC INCOME FUND

| | Class VI Shares | | | | | Class I Shares |
|--|----------------------------|----------------------|----------------------|----------------------|-------------------------|--|
| | | | | | | Period from November 5, 2019 |
| | Year Ended February 28/29, | | | | | (commencement of operations) through February 29, 2020 |
| | 2020 | 2019 | 2018 | 2017 | 2016 | |
| Net asset value, beginning of period | \$ 26.21 | \$ 26.41 | \$ 25.78 | \$ 24.57 | \$ 24.80 | \$ 26.85 |
| Income (loss) from investment operations: | | | | | | |
| Net investment income (loss) ^{(a)†} | 1.46 | 1.32 | 1.15 | 0.96 | 0.53 | 0.54 |
| Net realized and unrealized gain (loss) | (0.06) | (0.38) | 0.18 | 0.89 | (0.34) | (0.08) |
| Total from investment operations | 1.40 | 0.94 | 1.33 | 1.85 | 0.19 | 0.46 |
| Less distributions to shareholders: | | | | | | |
| From net investment income | (1.46) | (1.14) | (0.70) | (0.64) | (0.42) | (1.19) |
| From net realized gains | — | — | — | — | — | — |
| Total distributions | (1.46) | (1.14) | (0.70) | (0.64) | (0.42) | (1.19) |
| Net asset value, end of period | \$ 26.15 | \$ 26.21 | \$ 26.41 | \$ 25.78 | \$ 24.57 ^(b) | \$ 26.12 |
| Total Return^(c) | 5.45% | 3.58% | 5.18% | 7.62% | 0.77% | 1.80%** |
| Ratios/Supplemental Data: | | | | | | |
| Net assets, end of period (000's) | \$825,876 | \$1,001,146 | \$1,205,954 | \$1,510,894 | \$1,648,019 | \$22,684 |
| Net operating expenses to average daily net assets ^(d) | 0.47% | 0.49% | 0.47% | 0.33% | 0.31% | 0.66%* |
| Interest and/or dividend expenses and/or borrowing costs to average daily net assets ^(d) | 0.00% ^(e) | 0.00% ^(e) | 0.00% ^(e) | 0.00% ^(e) | 0.00% ^(e) | 0.00% ^(e) |
| Total net expenses to average daily net assets ^(d) | 0.47% | 0.49% | 0.47% | 0.33% | 0.31% | 0.66%* |
| Net investment income (loss) to average daily net assets ^(a) | 5.50% | 4.99% | 4.39% | 3.82% | 2.13% | 6.55%* |
| Portfolio turnover rate | 47% ^(g) | 75% ^(g) | 152% ^(g) | 66% ^(g) | 66% | 47% ^(g) ** |
| Fees and expenses reimbursed and/or waived by GMO to average daily net assets: | 0.04% ^(h) | 0.04% | 0.03% | 0.04% | 0.03% | 0.07% ^(h) |
| Purchase premiums and redemption fees consisted of the following per share amounts (Note 2): [†] | \$ 0.01 | \$ 0.05 | \$ 0.04 | \$ 0.03 | \$ 0.04 | — |

- (a) Net investment income is affected by the timing of the declaration of dividends by other GMO Funds and/or other investment companies in which the Fund invests, if any.
- (b) Beginning December 21, 2015 the pricing source for certain fixed income assets of the Fund changed, which resulted in an increase in the December 21, 2015 net asset value of the Fund by \$0.04 per share.
- (c) The total returns would have been lower had certain expenses not been reimbursed and/or waived during the periods shown, if applicable, and assumes the effect of reinvested distributions, if any. Calculation excludes purchase premiums and redemption fees which are borne by the shareholder purchasing or redeeming Fund shares, if any.
- (d) Net expenses exclude expenses incurred indirectly through investment in the underlying funds (Note 5).
- (e) Rounds to less than 0.01%.
- (f) Interest and dividend expense and/or borrowing costs incurred as a result of entering into reverse repurchase agreements and/or margin on cleared swap contracts, if any, is included in the Fund's net expenses. Income earned on investing proceeds from reverse repurchase agreements, if any, is included in interest income.
- (g) The portfolio turnover rate excludes investments in GMO U.S. Treasury Fund ("USTF") which is used as a short-term investment vehicle for cash management. The Fund's portfolio turnover rate during the years/period ended February 29, 2020, February 28, 2019, February 28, 2018 and February 28, 2017, including transactions in USTF, was 48%, 83%, 175% and 75%, respectively, of the average value of its portfolio.
- (h) Ratio includes indirect fees waived or borne by GMO.
- † Calculated using average shares outstanding throughout the period.
- * Annualized.
- ** Not annualized.

GMO Trust Funds

Financial Highlights

(For a share outstanding throughout each period)

U.S. TREASURY FUND

| | Core Shares | | | | |
|--|----------------------------|----------------------|----------------------|-----------------------|-----------------------|
| | Year Ended February 28/29, | | | | |
| | 2020 | 2019 ^(a) | 2018 ^(a) | 2017 ^(a) | 2016 ^(a) |
| Net asset value, beginning of period | \$ 5.00 | \$ 5.00 | \$ 5.01 | \$ 5.01 | \$ 5.01 |
| Income (loss) from investment operations: | | | | | |
| Net investment income (loss) [†] | 0.10 | 0.10 | 0.05 | 0.02 | 0.01 |
| Net realized and unrealized gain (loss) | 0.02 | 0.01 | (0.01) | 0.00 ^(b) | 0.00 ^(b) |
| Total from investment operations | 0.12 | 0.11 | 0.04 | 0.02 | 0.01 |
| Less distributions to shareholders: | | | | | |
| From net investment income | (0.10) | (0.11) | (0.05) | (0.02) | (0.01) |
| From net realized gains | — | — | — | (0.00) ^(b) | (0.00) ^(b) |
| Total distributions | (0.10) | (0.11) | (0.05) | (0.02) | (0.01) |
| Net asset value, end of period | \$ 5.02 | \$ 5.00 | \$ 5.00 | \$ 5.01 | \$ 5.01 |
| Total Return^(c) | 2.47% | 2.16% | 0.96% | 0.54% | 0.19% |
| Ratios/Supplemental Data: | | | | | |
| Net assets, end of period (000's) | \$222,762 | \$635,777 | \$2,324,706 | \$2,666,697 | \$4,033,504 |
| Net expenses to average daily net assets | 0.06% | 0.00% ^(d) | 0.00% ^(d) | 0.00% ^(d) | 0.00% ^(d) |
| Net investment income (loss) to average daily net assets | 2.03% | 1.97% | 1.06% | 0.47% | 0.16% |
| Portfolio turnover rate ^(e) | 0% | 0% | 0% | 0% | 0% |
| Fees and expenses reimbursed and/or waived by GMO to average daily net assets: | 0.05% | 0.10% | 0.09% | 0.10% | 0.10% |

^(a) Per share amounts were adjusted to reflect an approximate 5 for 1 stock split effective December 6, 2018.

^(b) Rounds to less than \$0.01.

^(c) The total returns would have been lower had certain expenses not been reimbursed and/or waived during the periods shown, if applicable, and assumes the effect of reinvested distributions, if any. Calculation excludes purchase premiums and redemption fees which are borne by the shareholder purchasing or redeeming Fund shares, if any.

^(d) Rounds to less than 0.01%.

^(e) Portfolio turnover rate calculation excludes short-term investments.

[†] Calculated using average shares outstanding throughout the period.

GMO Trust Funds

Notes to Financial Statements February 29, 2020

1. Organization

Each of Asset Allocation Bond Fund, Core Plus Bond Fund, Emerging Country Debt Fund, High Yield Fund, Opportunistic Income Fund and U.S. Treasury Fund (each a “Fund” and collectively the “Funds”) is a series of GMO Trust (the “Trust”). The Trust is registered under the Investment Company Act of 1940, as amended (the “1940 Act”), as an open-end management investment company. The Trust was established as a Massachusetts business trust under the laws of The Commonwealth of Massachusetts on June 24, 1985. The Declaration of Trust permits the Trustees of the Trust (“Trustees”) to create an unlimited number of series of shares (Funds) and to subdivide Funds into classes. The Funds are advised and managed by Grantham, Mayo, Van Otterloo & Co. LLC (“GMO”).

The Funds may invest in GMO U.S. Treasury Fund and in money market funds unaffiliated with GMO.

Many of the Funds may invest without limitation in other GMO Funds (“underlying funds”). In particular, pursuant to an exemptive order granted by the Securities and Exchange Commission (“SEC”), some of the Funds may invest in Emerging Country Debt Fund, Opportunistic Income Fund and U.S. Treasury Fund. The financial statements of the underlying funds should be read in conjunction with the Funds’ financial statements. The financial statements are available without charge on the SEC’s website at www.sec.gov or on GMO’s website at www.gmo.com.

The following table provides information about the Funds’ principal investment objectives and benchmarks (if any):

| Fund Name | Benchmark | Investment Objective |
|----------------------------|--|--|
| Asset Allocation Bond Fund | FTSE 3-Month Treasury Bill Index | Total return in excess of benchmark |
| Core Plus Bond Fund | Bloomberg Barclays U.S. Aggregate Index | Total return in excess of benchmark |
| Emerging Country Debt Fund | J.P. Morgan EMBI Global | Total return in excess of benchmark |
| High Yield Fund | Markit iBoxx USD Liquid High Yield Index | Total return in excess of benchmark |
| Opportunistic Income Fund | Not Applicable | Capital appreciation and current income |
| U.S. Treasury Fund | Not Applicable | Liquidity and safety of principal with current income as a secondary objective |

Asset Allocation Bond Fund currently limits subscriptions.

2. Significant accounting policies

The following is a summary of significant accounting policies followed by each Fund in the preparation of its financial statements. These policies are in conformity with accounting principles generally accepted in the United States of America (“U.S. GAAP”) and have been consistently followed by the Funds in preparing these financial statements. The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates. The accounting records of the Funds are maintained in U.S. dollars.

Portfolio valuation

Typically, the Funds and the underlying funds value fixed income securities at the most recent price supplied by a pricing source determined by GMO. GMO evaluates pricing sources on an ongoing basis and may change a pricing source at any time. GMO monitors erratic or unusual movements (including unusual inactivity) in the prices supplied for a security and has discretion to override a price supplied by a source (e.g., by taking a price supplied by another source) when it believes that the price supplied is not reliable. Alternative pricing sources are often but not always available for securities held by the Funds and the underlying funds.

Exchange-traded securities (other than exchange-traded options) for which market quotations are readily available are valued at (i) the last sale price or (ii) official closing price or (iii) most recent quoted price published by the exchange (if no reported last sale or official closing price) or (iv) the quoted price provided by a pricing source (in the event GMO deems the private market to be a more reliable indicator of market value than the exchange). Exchange-traded options are valued at the last sale price, provided that price is between the closing bid and ask prices. If the last sale price is not within that range, then they will be valued at the closing bid price for long positions and the closing ask price for short positions. Cleared derivatives are valued using the price quoted (which may be based on a model) by the relevant clearing house. If an updated quote for a cleared derivative is not available when a Fund calculates its net asset value, the

GMO Trust Funds

Notes to Financial Statements — (Continued)

February 29, 2020

derivative will generally be valued using an industry standard model, which may differ from the model used by the relevant clearing house. Over-the-counter (“OTC”) derivatives are generally valued at the price determined by an industry standard model. Unlisted securities for which market quotations are readily available are generally valued at the most recent quoted price. Shares of the underlying funds and other open-end registered investment companies are valued at their most recent net asset value.

The foregoing valuation methodologies are modified for equities that trade in non-U.S. securities markets that close before the close of the New York Stock Exchange (“NYSE”) due to time zone differences, including the value of equities that underlie futures, options and other derivatives (to the extent the market for those derivatives closes prior to the close of the NYSE). In those cases, the price will generally be adjusted, to the extent practicable and available, based on inputs from an independent pricing service approved by the Trustees that are intended to reflect valuation changes through the NYSE close. These securities listed on foreign exchanges (including the value of equity securities that underlie futures, options and other derivatives (to the extent the market for such instruments closes prior to the close of the NYSE)) are classified as Level 2 (levels defined below).

“Quoted price” typically means the bid price for securities held long and the ask price for securities sold short. If a market quotation for a security does not involve a bid or an ask, the “quoted price” may be the price provided by a market participant or other third-party pricing source in accordance with the market practice for that security. If an updated quoted price for a security is not available when a Fund calculates its net asset value, the Fund will generally use the last quoted price so long as GMO believes that the last quoted price continues to represent that security’s fair value.

In the case of derivatives, prices determined by a model may reflect an estimate of the average of bid and ask prices, regardless of whether a Fund has a long position or a short position.

If quotations are not readily available or circumstances make an existing valuation methodology or procedure unreliable, derivatives and other securities are valued at fair value as determined in good faith by the Trustees or persons acting at their direction pursuant to procedures approved by the Trustees. Because of the uncertainty inherent in fair value pricing, the price determined for particular security may be materially different from the value realized upon its sale. The Funds and/or the underlying funds classify such securities as Level 3 (levels defined below). For the year ended February 29, 2020, the Funds did not reduce the value of any of their OTC derivatives contracts, if any, based on the creditworthiness of their counterparties. See Note 4 “Derivative financial instruments” for a further discussion on valuation of derivatives.

U.S. GAAP requires the Funds to disclose the fair value of their investments in a three-level hierarchy (Levels 1, 2 and 3). The valuation hierarchy is based upon the relative observability of inputs to the valuation of the Funds’ investments. The inputs or methodologies used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

Changes in valuation techniques may result in transfers into or out of an investment’s assigned level within the fair value hierarchy. In addition, in periods of market dislocation, the observability of prices and inputs may be reduced for many instruments. This condition, as well as changes related to the liquidity of investments, could cause a security to be reclassified between levels.

The three levels are defined as follows:

Level 1 – Valuations based on quoted prices for identical securities in active markets.

The types of assets and liabilities categorized in Level 1 generally include actively traded domestic and certain foreign equity securities; certain U.S. government obligations; derivatives actively traded on a national securities exchange (such as some futures and options); and shares of open-end mutual funds (even if their investments are valued using Level 2 or Level 3 inputs).

Level 2 – Valuations determined using other significant direct or indirect observable inputs.

The types of assets and liabilities categorized in Level 2 generally include certain U.S. government agency securities, mortgage-backed securities, asset-backed securities, certain sovereign debt obligations, and corporate bonds valued using vendor prices or broker quotes; cleared derivatives and certain OTC derivatives such as swaps, options, swaptions, and forward currency contracts valued using industry standard models; certain restricted securities valued at the most recent available market or quoted price; certain debt obligations, such as collateralized loan obligations, that have yet to begin trading that are valued at cost; and certain foreign equity securities that are adjusted based on inputs from an independent pricing service approved by the Trustees, including the value of equity securities that underlie futures, options and other derivatives (to the extent the market for such instruments closes prior to the close of the NYSE) to reflect estimated valuation changes through the NYSE close.

GMO Trust Funds

Notes to Financial Statements — (Continued) February 29, 2020

Level 3 – Valuations based primarily on inputs that are unobservable and significant.

The types of assets and liabilities categorized in Level 3 generally include, but are not limited to, certain debt securities (such as asset-backed, mortgage-backed, loans and sovereign debt) and derivatives even though they may be valued using broker quotes; certain debt securities and derivatives adjusted by a specified discount for liquidity or other considerations; certain sovereign debt securities valued using comparable securities issued by the sovereign adjusted by a specified spread; securities whose trading has been suspended or that have been de-listed from their current primary trading exchange valued at the most recent available market or quoted price; securities in default or bankruptcy proceedings for which there is no current market quotation valued at the most recent available market or quoted price; and potential litigation recoveries and interests related to bankruptcy proceedings.

The following is a summary of the respective levels assigned to the Funds' direct securities and derivatives, if any, as of February 29, 2020:

| Description | Level 1 | Level 2 | Level 3 | Total |
|-----------------------------------|---------------|-----------------|---------|-----------------|
| Asset Allocation Bond Fund | | | | |
| Asset Valuation Inputs | | | | |
| Debt Obligations | | | | |
| U.S. Government | \$ — | \$ 224,018,639 | \$ — | \$ 224,018,639 |
| TOTAL DEBT OBLIGATIONS | — | 224,018,639 | — | 224,018,639 |
| Mutual Funds | 8,656,379 | — | — | 8,656,379 |
| Short-Term Investments | 416,342 | — | — | 416,342 |
| Total Investments | 9,072,721 | 224,018,639 | — | 233,091,360 |
| Total | \$ 9,072,721 | \$ 224,018,639 | \$ — | \$ 233,091,360 |
| Core Plus Bond Fund | | | | |
| Asset Valuation Inputs | | | | |
| Debt Obligations | | | | |
| Asset-Backed Securities | \$ — | \$ 47,669,108 | \$ — | \$ 47,669,108 |
| U.S. Government | 90,076,129 | — | — | 90,076,129 |
| U.S. Government Agency | — | 79,943,428 | — | 79,943,428 |
| TOTAL DEBT OBLIGATIONS | 90,076,129 | 127,612,536 | — | 217,688,665 |
| Investment Funds | 120,389,699 | — | — | 120,389,699 |
| Mutual Funds | 142,229,239 | — | — | 142,229,239 |
| Short-Term Investments | 1,088,103 | 118,896,930 | — | 119,985,033 |
| Purchased Options | — | 50,858 | — | 50,858 |
| Total Investments | 353,783,170 | 246,560,324 | — | 600,343,494 |
| Derivatives [^] | | | | |
| Forward Currency Contracts | | | | |
| Foreign Currency Risk | — | 2,816,027 | — | 2,816,027 |
| Futures Contracts | | | | |
| Interest Rate Risk | 1,913,611 | — | — | 1,913,611 |
| Swap Contracts | | | | |
| Interest Rate Risk | — | 14,683,646 | — | 14,683,646 |
| Total | \$355,696,781 | \$ 264,059,997 | \$ — | \$ 619,756,778 |
| Liability Valuation Inputs | | | | |
| Derivatives [^] | | | | |
| Forward Currency Contracts | | | | |
| Foreign Currency Risk | \$ — | \$ (4,008,336) | \$ — | \$ (4,008,336) |
| Swap Contracts | | | | |
| Interest Rate Risk | — | (9,585,530) | — | (9,585,530) |
| Total | \$ — | \$ (13,593,866) | \$ — | \$ (13,593,866) |

GMO Trust Funds

Notes to Financial Statements — (Continued) February 29, 2020

| Description | Level 1 | Level 2 | Level 3 | Total |
|-----------------------------------|----------------------|------------------------|----------------------|------------------------|
| Emerging Country Debt Fund | | | | |
| Asset Valuation Inputs | | | | |
| Debt Obligations | | | | |
| Asset-Backed Securities | \$ — | \$ 34,687,234 | \$ — | \$ 34,687,234 |
| Corporate Debt | — | 67,526,590 | 29,902,115 | 97,428,705 |
| Foreign Government Agency | — | 881,950,102 | 170,402,802 | 1,052,352,904 |
| Foreign Government Obligations | — | 2,171,936,790 | 173,035,182 | 2,344,971,972 |
| U.S. Government | 479,878,898 | 80,011,264 | — | 559,890,162 |
| TOTAL DEBT OBLIGATIONS | 479,878,898 | 3,236,111,980 | 373,340,099 | 4,089,330,977 |
| Loan Assignments | — | — | 14,402,514 | 14,402,514 |
| Loan Participations | — | — | 47,750,729 | 47,750,729 |
| Mutual Funds | 74,487,484 | — | — | 74,487,484 |
| Rights/Warrants | — | 17,091,904 | 2,082,394 | 19,174,298 |
| Short-Term Investments | 4,182,862 | — | — | 4,182,862 |
| Total Investments | 558,549,244 | 3,253,203,884 | 437,575,736 | 4,249,328,864 |
| Derivatives [^] | | | | |
| Forward Currency Contracts | — | 2,413,885 | — | 2,413,885 |
| Foreign Currency Risk | — | — | — | — |
| Options | — | — | 1,096,669 | 1,096,669 |
| Credit Risk | — | — | — | — |
| Swap Contracts | — | 40,244,272 | — | 40,244,272 |
| Credit Risk | — | 662,028 | — | 662,028 |
| Interest Rate Risk | — | — | — | — |
| Total | \$558,549,244 | \$3,296,524,069 | \$438,672,405 | \$4,293,745,718 |
| Liability Valuation Inputs | | | | |
| Derivatives [^] | | | | |
| Options | — | — | — | — |
| Credit Risk | \$ — | \$ — | \$ (60,500) | \$ (60,500) |
| Swap Contracts | — | — | — | — |
| Credit Risk | — | (2,824,384) | — | (2,824,384) |
| Interest Rate Risk | — | (9,992,349) | — | (9,992,349) |
| Total | \$ — | \$ (12,816,733) | \$ (60,500) | \$ (12,877,233) |
| High Yield Fund | | | | |
| Asset Valuation Inputs | | | | |
| Debt Obligations | | | | |
| Corporate Debt | \$ — | \$ 45,081,026 | \$ — | \$ 45,081,026 |
| U.S. Government | 3,048,499 | — | — | 3,048,499 |
| TOTAL DEBT OBLIGATIONS | 3,048,499 | 45,081,026 | — | 48,129,525 |
| Investment Funds | 62,884,055 | — | — | 62,884,055 |
| Mutual Funds | 385,180 | — | — | 385,180 |
| Short-Term Investments | 13,454,889 | 36,480,024 | — | 49,934,913 |
| Total Investments | 79,772,623 | 81,561,050 | — | 161,333,673 |
| Derivatives [^] | | | | |
| Forward Currency Contracts | — | 73,968 | — | 73,968 |
| Foreign Currency Risk | — | — | — | — |
| Futures Contracts | — | — | — | — |
| Interest Rate Risk | 71,632 | — | — | 71,632 |
| Swap Contracts | — | — | — | — |
| Credit Risk | — | 801,610 | — | 801,610 |
| Interest Rate Risk | — | 4,326 | — | 4,326 |
| Total | \$ 79,844,255 | \$ 82,440,954 | \$ — | \$ 162,285,209 |

GMO Trust Funds

Notes to Financial Statements — (Continued) February 29, 2020

| Description | Level 1 | Level 2 | Level 3 | Total |
|------------------------------------|---------------|-----------------|---------------|-----------------|
| High Yield Fund (continued) | | | | |
| Liability Valuation Inputs | | | | |
| Derivatives [^] | | | | |
| Forward Currency Contracts | | | | |
| Foreign Currency Risk | \$ — | \$ (693,657) | \$ — | \$ (693,657) |
| Swap Contracts | | | | |
| Interest Rate Risk | — | (139,080) | — | (139,080) |
| Total | \$ — | \$ (832,737) | \$ — | \$ (832,737) |
| Opportunistic Income Fund | | | | |
| Asset Valuation Inputs | | | | |
| Debt Obligations | | | | |
| Asset-Backed Securities | \$ — | \$ 725,999,333 | \$ 25,989,481 | \$ 751,988,814 |
| U.S. Government | 15,807,292 | — | — | 15,807,292 |
| U.S. Government Agency | — | — | 12,228,802 | 12,228,802 |
| TOTAL DEBT OBLIGATIONS | 15,807,292 | 725,999,333 | 38,218,283 | 780,024,908 |
| Mutual Funds | 10,256,103 | — | — | 10,256,103 |
| Short-Term Investments | 1,931,122 | 40,999,182 | — | 42,930,304 |
| Purchased Options | — | 1,555,412 | — | 1,555,412 |
| Total Investments | 27,994,517 | 768,553,927 | 38,218,283 | 834,766,727 |
| Derivatives [^] | | | | |
| Forward Currency Contracts | | | | |
| Foreign Currency Risk | — | 16,629 | — | 16,629 |
| Futures Contracts | | | | |
| Interest Rate Risk | 61,980 | — | — | 61,980 |
| Swap Contracts | | | | |
| Credit Risk | — | 20,325,447 | — | 20,325,447 |
| Interest Rate Risk | — | 610,627 | — | 610,627 |
| Total | \$ 28,056,497 | \$ 789,506,630 | \$ 38,218,283 | \$ 855,781,410 |
| Liability Valuation Inputs | | | | |
| Derivatives [^] | | | | |
| Forward Currency Contracts | | | | |
| Foreign Currency Risk | \$ — | \$ (47,595) | \$ — | \$ (47,595) |
| Written Options | | | | |
| Credit Risk | — | (1,828,819) | — | (1,828,819) |
| Swap Contracts | | | | |
| Credit Risk | — | (10,551,744) | — | (10,551,744) |
| Interest Rate Risk | — | (4,473,054) | — | (4,473,054) |
| Total | \$ — | \$ (16,901,212) | \$ — | \$ (16,901,212) |
| U.S. Treasury Fund | | | | |
| Asset Valuation Inputs | | | | |
| Short-Term Investments | \$234,043,004 | \$ — | \$ — | \$ 234,043,004 |
| Total Investments | 234,043,004 | — | — | 234,043,004 |
| Total | \$234,043,004 | \$ — | \$ — | \$ 234,043,004 |

The risks referenced in the tables above are not intended to be inclusive of all risks. Please see the “Investment and other risks” and “Derivative financial instruments” sections below for a further discussion of risks.

[^] In the tables above derivatives are based on market values, rather than the notional amounts of derivatives, except for forward currency contracts which are based on unrealized appreciation/(depreciation). The uncertainties surrounding the valuation inputs for a derivative are likely to be more significant to the Funds’ net asset values than the uncertainties surrounding inputs for a non-derivative security with the same market value. Excludes purchased options, if any, which are included in investments.

GMO Trust Funds

Notes to Financial Statements — (Continued)

February 29, 2020

The underlying funds held at year end are classified above as Level 1. Certain underlying funds invest in securities and/or derivatives which may have been fair valued using methods determined in good faith by or at the direction of the Trustees or which may have been valued using significant unobservable inputs. For a summary of the levels assigned to the underlying funds' direct securities and derivatives, if any, please refer to the underlying funds' Notes to Financial Statements which are available on the SEC's website at www.sec.gov or on GMO's website at www.gmo.com.

U.S. GAAP requires additional disclosures about fair value measurements for material Level 3 securities and derivatives, if any (determined by each category of asset or liability as compared to a Fund's total net assets). Level 3 holdings include investments valued using unadjusted prices supplied by a third-party pricing source (e.g., broker quotes, vendor). Emerging Country Debt Fund's Level 3 holdings also include the Republic of Albania Par Bond, due 8/31/25, which is valued by applying a 140 basis point spread to the yield of the U.S. Treasury Strip Principal, due 8/15/25 and a Republic of Kenya loan agreement, which is valued by applying 300 basis point yield spread to a comparable bond. Opportunistic Income Fund's Level 3 holdings also consists of three U.S. Agency for International Development Floater Bonds which were valued using current LIBOR yield and adjusted by 125 basis points for liquidity considerations and an asset backed security which was adjusted for additional cashflow projections discounted for timing and likelihood of receipt. There were no other Funds with classes of investments or derivatives with direct material Level 3 holdings at February 29, 2020.

For Funds with material total Level 3 assets and/or liabilities, the following is a reconciliation of securities and derivatives, if any, in which significant unobservable inputs (Level 3) were used in determining value:

| | Balance as of February 28, 2019 | Purchases | Sales | Accrued Discounts/ Premiums | Total Realized Gain/ (Loss) | Change in Unrealized Appreciation (Depreciation) | Transfer into Level 3 | Transfer out of Level 3 | Balance as of February 29, 2020 | Net Change in Unrealized Appreciation (Depreciation) from Investments Still Held as of February 29, 2020 |
|-----------------------------------|--|---------------------|-------------------------|-----------------------------------|--------------------------------------|---|-----------------------------|-------------------------------|--|--|
| Emerging Country Debt Fund | | | | | | | | | | |
| Debt Obligations | | | | | | | | | | |
| Corporate Debt | \$ 24,697,310 | \$ — | \$ — | \$ (1,524) | \$ — | \$ 5,206,329 | \$ — | \$— | \$ 29,902,115 | \$ 5,206,329 |
| Foreign Government | | | | | | | | | | |
| Agency | 130,262,106 | 8,816,000 | (11,924,274) | 2,297,753 | 3,322,932 | 8,458,709 | 29,169,576‡ | — | 170,402,802 | 8,458,709 |
| Foreign Government | | | | | | | | | | |
| Obligations | 116,011,870 | 61,950 | (6,412,672) | 4,521,186 | — | 8,032,843 | 50,820,005‡ | — | 173,035,182 | 8,032,843 |
| Loan Assignments | 7,965,089 | 6,958,733 | (1,132,081) | 55,346 | — | 555,427 | — | — | 14,402,514 | 538,115 |
| Loan Participations | 58,083,336 | — | (11,394,396) | 2,299,980 | — | (1,238,191) | — | — | 47,750,729 | (1,232,294) |
| Rights/Warrants | 2,736,698 | — | — | — | — | (654,304) | — | — | 2,082,394 | (654,304) |
| Total Investments | <u>339,756,409</u> | <u>15,836,683</u> | <u>(30,863,423)</u> | <u>9,172,741</u> | <u>3,322,932</u> | <u>20,360,813</u> | <u>79,989,581</u> | <u>—</u> | <u>437,575,736</u> | <u>20,349,398</u> |
| Derivatives | | | | | | | | | | |
| Options | (993,146) | — | — | — | (739,072) | 2,768,387 | — | — | 1,036,169 | 2,768,387 |
| Total | <u>\$338,763,263</u> | <u>\$15,836,683</u> | <u>\$(30,863,423)##</u> | <u>\$9,172,741</u> | <u>\$2,583,860</u> | <u>\$23,129,200</u> | <u>\$79,989,581</u> | <u>\$—</u> | <u>\$438,611,905</u> | <u>\$23,117,785</u> |
| Opportunistic Income Fund | | | | | | | | | | |
| Debt Obligations | | | | | | | | | | |
| Asset-Backed Securities | \$ 30,514,634 | \$ 1,276,335 | \$(10,415,650) | \$ 56,463 | \$ (614,201) | \$ (708,080) | \$ 5,879,980‡ | \$— | \$ 25,989,481 | \$ (708,080) |
| U.S. Government | | | | | | | | | | |
| Agency | 14,579,868 | — | (2,442,500) | 32,811 | — | 58,623 | — | — | 12,228,802 | 58,623 |
| Total | <u>\$ 45,094,502</u> | <u>\$ 1,276,335</u> | <u>\$(12,858,150)##</u> | <u>\$ 89,274</u> | <u>\$ (614,201)</u> | <u>\$ (649,457)</u> | <u>\$ 5,879,980</u> | <u>\$—</u> | <u>\$ 38,218,283</u> | <u>\$ (649,457)</u> |

‡ Financial assets transferred between levels were due to a change in observable and/or unobservable inputs.

Includes \$23,029,756 of proceeds received from partial calls and/or principal paydowns as applicable.

Includes \$10,039,352 of proceeds received from partial calls and/or principal paydowns as applicable.

Cash

Cash and foreign currency, if any, in the Statements of Assets and Liabilities consist of cash balances held with the custodian.

Due to/from broker

Due to/from broker in the Statements of Assets and Liabilities includes collateral on swap contracts, futures contracts, option contracts and forward currency contracts, if any, and may include marked-to-market amounts related to foreign currency or cash owed.

Foreign currency translation

The market values of foreign securities, currency holdings and related assets and liabilities are typically translated into U.S. dollars at the close of regular trading on the NYSE, generally at 4:00 pm Eastern time. Income and expenses denominated in foreign currencies are typically translated into U.S. dollars at the close of regular trading on the NYSE. Fluctuations in the value of currency holdings and other assets and liabilities resulting from changes in exchange rates are recorded as unrealized foreign currency gains or losses. Realized gains or losses and unrealized appreciation or depreciation on investment securities and income and expenses are translated on the respective dates of such transactions. The effects of changes in foreign currency exchange rates on investments in securities are not separated in the Statements of Operations from the effects of changes in market prices of those securities, but are included with the net realized and unrealized gain or loss on investment securities.

Indexed investments

Each Fund may invest in various transactions and instruments that are designed to track the performance of an index (including, but not limited to, securities indices and credit default indices). Indexed securities are securities the redemption values and/or coupons of which are indexed to a specific instrument, group of instruments, index, or other statistic. Indexed securities typically, but not always, are debt securities or deposits whose value at maturity or coupon rate is determined by reference to other securities, securities or inflation indices, currencies, precious metals or other commodities, or other financial indicators. For example, the maturity value of gold-indexed securities depends on the price of gold and, therefore, their price tends to rise and fall with gold prices.

Loan assignments and participations

The Funds (except U.S. Treasury Fund) may invest in direct debt instruments, which are interests in amounts owed to lenders or lending syndicates, to suppliers of goods or services, or to other parties by corporate, governmental or other borrower. Such “loans” may include bank loans, promissory notes, and loan participations, or in the case of suppliers of goods or services, trade claims or other receivables. A loan is often administered by a bank or other financial institution that acts as agent for all holders. The agent administers the terms of the loan, as specified in the loan agreement. Unless, under the terms of the loan or other indebtedness a Fund has direct recourse against the borrower, it may have to rely on the agent to enforce its rights against the borrower. When investing in a loan participation, (i) a Fund has the right to receive payments of principal, interest and any fees to which it is entitled only from the party from whom the Fund has purchased the participation and only upon receipt by that party of payments from the borrower and (ii) a Fund generally has no right to enforce compliance by the borrower with the terms of the loan agreement or to vote on matters arising under the loan agreement. Thus, a Fund may be subject to credit risk both of the party from whom it purchased the loan participation and the borrower and that Fund may have minimal control over the terms of any loan modification. Loan assignments and participations outstanding at the end of the year, if any, are listed in each applicable Fund’s Schedule of Investments.

Rights and warrants

The Funds may purchase or otherwise receive warrants or rights. Warrants and rights generally give the holder the right to receive, upon exercise, a security of the issuer at a set price. Funds typically use warrants and rights in a manner similar to their use of purchased options on securities, as described in the section entitled “Options” in Note 4 “Derivative financial instruments”. Risks associated with the use of warrants and rights are generally similar to risks associated with the use of purchased options. However, warrants and rights often do not have standardized terms, and may have longer maturities and may be less liquid than exchange-traded options. In addition, the terms of warrants or rights may limit a Fund’s ability to exercise the warrants or rights at such times and in such quantities as the Fund would otherwise wish. Rights and/or warrants outstanding at the end of the year, if any, are listed in each applicable Fund’s Schedule of Investments.

Repurchase agreements

The Funds may enter into repurchase agreements with banks and brokers. Under a repurchase agreement a Fund acquires a security for a relatively short period for cash and obtains a simultaneous commitment from the seller to repurchase the security at an agreed upon price and date. The Fund, through its custodian, takes possession of securities it acquired under the repurchase agreement. The value of the securities acquired may be less than the amount owed to the Fund by the seller. If the seller in a repurchase agreement transaction defaults or enters into insolvency proceedings and the value of the securities subject to the repurchase agreement is insufficient, the Fund’s recovery of cash from the seller may be delayed and, even if the Fund is able to dispose of the securities, the Fund may incur a loss equal to the difference between the cash it paid and the value of the securities.

GMO Trust Funds

Notes to Financial Statements — (Continued) February 29, 2020

As of February 29, 2020, the Funds listed below had entered into repurchase agreements. The value of related collateral for each broker listed below exceeds the value of the repurchase agreements at year end. Repurchase agreements outstanding at the end of the year, if any, are listed in each applicable Fund's Schedule of Investments.

| Fund Name | Counterparty | Gross Value (\$) | Net Value (with related collateral) (\$) | Weighted Average Maturity (days) |
|---------------------------|---------------------------------------|------------------|--|----------------------------------|
| Opportunistic Income Fund | Nomura Securities International, Inc. | 40,999,182 | 42,594,505 | 11.0 |

Reverse repurchase agreements

The Funds may enter into reverse repurchase agreements with banks and brokers to enhance return. Under a reverse repurchase agreement a Fund sells portfolio assets subject to an agreement by that Fund to repurchase the same assets at an agreed upon price and date. A Fund can use the proceeds received from entering into a reverse repurchase agreement to make additional investments, which generally causes the Fund's portfolio to behave as if it were leveraged. If the buyer in a reverse repurchase agreement files for bankruptcy or becomes insolvent, the Fund may be unable to recover the securities it sold and as a result may realize a loss on the transaction if the securities it sold are worth more than the purchase price it originally received from the buyer. As of February 29, 2020, the Funds listed below had entered into reverse repurchase agreements.

| Fund Name | Received from reverse repurchase agreements (\$) | Market value of securities plus accrued interest (\$) |
|-----------------|--|---|
| High Yield Fund | 674,715 | 771,458 |

As of February 29, 2020, High Yield Fund had investments in reverse repurchase agreements with Barclays Bank PLC with a gross value of \$674,715. The value of related collateral on reverse repurchase agreements exceeded the value at year end. As of February 29, 2020, the reverse repurchase agreements held by High Yield Fund had open maturity dates.

Reverse repurchase agreements outstanding at the end of the year, if any, are listed in each applicable Fund's Schedule of Investments.

The following is a summary of the gross value of reverse repurchase agreements categorized by class of collateral pledged and maturity date:

| | February 29, 2020 | | | | | |
|--------------------------------------|--|---------------|--------------------|----------------------|-----------|-----------|
| | Remaining Contractual Maturity of the Agreements | | | | | |
| | Overnight and Continuous | Up to 30 days | Between 30-90 days | Greater Than 90 days | On Demand | Total |
| High Yield Fund | | | | | | |
| Reverse Repurchase Agreements | | | | | | |
| Corporate Debt | \$— | \$— | \$— | \$— | \$674,715 | \$674,715 |
| Total borrowings | \$— | \$— | \$— | \$— | \$674,715 | \$674,715 |

Inflation-indexed bonds

The Funds may invest in inflation-indexed bonds. Inflation-indexed bonds are fixed income securities whose principal value is adjusted periodically according to the rate of inflation/deflation. Two structures are common. The U.S. Treasury and some other issuers use a structure that accrues inflation/deflation into the principal value of the bond. Many other issuers adjust the coupon accruals for inflation related changes.

The market price of inflation-indexed bonds normally changes when real interest rates change. Real interest rates, in turn, are tied to the relationship between nominal interest rates (i.e. stated interest rates) and the rate of inflation. Therefore, if the rate of inflation

GMO Trust Funds

Notes to Financial Statements — (Continued) February 29, 2020

rises at a faster rate than nominal interest rates, real interest rates (i.e. nominal interest rate minus inflation) might decline, leading to an increase in value of inflation-indexed bonds. In contrast, if nominal interest rates increase at a faster rate than inflation, real interest rates might rise, leading to a decrease in value of inflation-indexed bonds. Coupon payments received by a Fund from inflation-indexed bonds are generally included in the Fund's gross income for the period in which they accrue. In addition, any increase/decrease in the principal amount of an inflation-indexed bond is generally included in the Fund's gross income even though principal is not paid until maturity. Inflation-indexed bonds outstanding at the end of the year, if any, are listed in each applicable Fund's Schedule of Investments.

Delayed delivery commitments and when-issued securities

The Funds (except U.S. Treasury Fund) may purchase or sell securities on a when-issued or forward commitment basis. Payment and delivery may take place a month or more after the date of the transaction. The price of the underlying securities and the date when the securities will be delivered and paid for are fixed at the time the transaction is negotiated. The purchase of when-issued or delayed delivery securities can cause a Fund's portfolio to be leveraged. Investments in when-issued securities also present the risk that the security will not be issued or delivered. Delayed delivery commitments outstanding at the end of the year, if any, are listed in each applicable Fund's Schedule of Investments.

Short sales

Certain Funds may enter into short sales transactions. A short sale is a transaction in which a Fund sells securities it may not own in anticipation of a decline in the fair market value of the securities. Securities sold in short sale transactions and the dividend and/or interest payable on such securities, if any, are reflected as a liability in the Statements of Assets and Liabilities. A Fund is obligated to deliver securities at the trade price at the time the short position is closed. Possible losses from short sales may be unlimited, whereas losses from purchases cannot exceed the total amount invested. Short sales outstanding at the end of the period, if any, are listed in each applicable Fund's Schedule of Investments.

Taxes and distributions

Each Fund has elected to be treated or intends to elect to be treated and intends to qualify each tax year as a regulated investment company under Subchapter M of the Internal Revenue Code of 1986, as amended (the "Code"). Each Fund intends to distribute its net investment income, if any, and its net realized short-term and long-term capital gains, if any, after giving effect to any available capital loss carryforwards for U.S. federal income tax purposes. Therefore, each Fund makes no provision for U.S. federal income or excise taxes.

With the exception of U.S. Treasury Fund, the policy of each Fund is to declare and pay dividends of its net investment income, if any, at least annually, although the Funds are permitted to, and will from time to time, declare and pay dividends of net investment income, if any, more frequently. The policy of U.S. Treasury Fund is to declare dividends daily, to the extent net investment income is available. U.S. Treasury Fund will generally pay dividends on the first business day following the end of each month in which dividends were declared. Accrued dividends in respect of a shareholder's partial redemption of U.S. Treasury Fund shares redeemed between monthly payment dates will be paid on the first business day following the end of the month in which redemptions are made. Accrued dividends in respect of a shareholder's complete redemption of U.S. Treasury Fund shares between monthly payment dates will be paid with the redemption proceeds. Each Fund also intends to distribute net realized short-term and long-term capital gains, if any, at least annually. In addition, each Fund may, from time to time at their discretion, make unscheduled distributions in advance of large redemptions by shareholders or as otherwise deemed appropriate by a Fund. Typically, all distributions are reinvested in additional shares of each Fund, at net asset value, unless GMO or its agents receive and process a shareholder election to receive cash distributions. Distributions to shareholders are recorded by each Fund on the ex-dividend date.

Taxes on foreign interest and dividend income are generally withheld in accordance with the applicable country's tax treaty with the United States. The foreign withholding rates applicable to a Fund's investments in certain jurisdictions may be higher if a significant portion of the Fund is held by non-U.S. shareholders. Each Fund may be subject to taxation on realized capital gains, repatriation proceeds and other transaction-based charges imposed by certain countries in which it invests. Transaction-based charges are generally calculated as a percentage of the transaction amount. Taxes related to capital gains realized during the year ended February 29, 2020, if any, are reflected as part of Net realized gain (loss) in the Statements of Operations. Changes in tax liabilities related to capital gain taxes on unrealized investment gains, if any, are reflected as part of Change in net unrealized appreciation (depreciation) in the Statements of Operations.

Income and capital gain distributions are determined in accordance with U.S. federal income tax regulations, which may differ from U.S. GAAP. Certain capital accounts in the financial statements are periodically adjusted for permanent differences in order to reflect

GMO Trust Funds

Notes to Financial Statements — (Continued) February 29, 2020

their tax character. These adjustments have no impact on net assets or net asset value per share. Temporary differences that arise from recognizing certain items of income, expense, gain or loss in different periods for financial statement and tax purposes will likely reverse at some time in the future.

Differences in distributable earnings on a U.S. GAAP and tax accounting basis primarily relate to the following:

| | Asset Allocation Bond Fund | Core Plus Bond Fund | Emerging Country Debt Fund | High Yield Fund | Opportunistic Income Fund | U.S. Treasury Fund |
|--------------------------------------|----------------------------|---------------------|----------------------------|-----------------|---------------------------|--------------------|
| Differences related to: | | | | | | |
| Interest, accretion and amortization | X | | X | | X | |
| Capital loss carry forwards | X | X | X | | X | X |
| Defaulted bonds | | | X | | | |
| Derivative contract transactions | X | X | X | X | X | |
| Foreign currency transactions | X | X | X | X | | |
| Late-year ordinary losses | X | X | | | | |
| Losses on wash sale transactions | X | X | X | X | | |
| Losses related to debt obligations | | | | | X | |
| Post-October capital losses | X | | X | X | | |
| In-kind purchase transactions | | | | X | | |

The tax character of distributions declared by each Fund to shareholders is as follows:

| Fund Name | Tax year ended February 29, 2020 | | | Tax year ended February 28, 2019 | | |
|----------------------------|--|---------------------------------|--------------------------|--|---------------------------------|--------------------------|
| | Ordinary Income (including any net short-term capital gain) (\$) | Net Long-Term Capital Gain (\$) | Total Distributions (\$) | Ordinary Income (including any net short-term capital gain) (\$) | Net Long-Term Capital Gain (\$) | Total Distributions (\$) |
| Asset Allocation Bond Fund | 13,375,216 | — | 13,375,216 | 22,803,935 | — | 22,803,935 |
| Core Plus Bond Fund | 30,152,164 | 1,784,113 | 31,936,277 | 33,283,227 | — | 33,283,227 |
| Emerging Country Debt Fund | 271,475,423 | — | 271,475,423 | 287,890,398 | — | 287,890,398 |
| High Yield Fund | 16,679,907 | — | 16,679,907 | 8,072,368 | 83,385 | 8,155,753 |
| Opportunistic Income Fund | 49,076,525 | — | 49,076,525 | 45,077,214 | — | 45,077,214 |
| U.S. Treasury Fund | 9,860,244 | — | 9,860,244 | 27,557,392 | — | 27,557,392 |

Distributions in excess of a Fund's tax basis earnings and profits, if significant, are reported in the Funds' financial statements as a return of capital.

GMO Trust Funds

Notes to Financial Statements — (Continued) February 29, 2020

As of February 29, 2020, the components of distributable earnings on a tax basis and certain tax attributes for the Funds consisted of the following:

| Fund Name | Undistributed Ordinary Income (including any net short-term capital gain) (\$) | Undistributed Net Long-Term Capital Gain (\$) | Late-Year Ordinary Loss Deferral (\$) | Capital Loss Carryforwards (\$) | Post-October Capital Loss Deferral (\$) |
|----------------------------|--|---|---------------------------------------|---------------------------------|---|
| Asset Allocation Bond Fund | — | — | (166,200) | (67,174,904) | — |
| Core Plus Bond Fund | 3,159,361 | 8,549,870 | (1,188,513) | (25,020,146) | — |
| Emerging Country Debt Fund | 51,721,901 | 50,846,487 | — | — | — |
| High Yield Fund | 1,074,358 | 167,535 | — | — | — |
| Opportunistic Income Fund | 5,409,488 | — | — | (66,270,766) | — |
| U.S. Treasury Fund | — | — | — | (967,217) | (29,427) |

As of February 29, 2020, certain Funds had capital loss carryforwards available to offset future realized gains, if any, to the extent permitted by the Code. Net capital losses are carried forward without expiration and generally retain their short-term and/or long-term tax character, as applicable. Utilization of the capital loss carryforwards, post-October capital losses, late-year ordinary losses, and losses realized subsequent to February 29, 2020, if any, could be subject to further limitations imposed by the Code related to share ownership activity. The Funds' capital loss carryforwards are as follows:

| Fund Name | Short-Term (\$) | Long-Term (\$) |
|----------------------------|-----------------|----------------|
| Asset Allocation Bond Fund | (27,013,502) | (40,161,402) |
| Core Plus Bond Fund | (291,118) | (24,729,028) |
| Emerging Country Debt Fund | — | — |
| High Yield Fund | — | — |
| Opportunistic Income Fund | — | (66,270,766) |
| U.S. Treasury Fund | (941,359) | (25,858) |

As of February 29, 2020, the approximate total cost, aggregate investment-level gross/net unrealized appreciation (depreciation) in the value of total investments (including total securities sold short, if any), and the net unrealized appreciation (depreciation) of outstanding financial instruments for U.S. federal income tax purposes were as follows:

| Fund Name | Total Investments | | | | Outstanding Financial Instruments |
|----------------------------|---------------------|------------------------------------|--------------------------------------|---|---|
| | Aggregate Cost (\$) | Gross Unrealized Appreciation (\$) | Gross Unrealized (Depreciation) (\$) | Net Unrealized Appreciation (Depreciation) (\$) | Net Unrealized Appreciation (Depreciation) (\$) |
| Asset Allocation Bond Fund | 218,872,149 | 14,219,211 | — | 14,219,211 | — |
| Core Plus Bond Fund | 588,722,784 | 17,792,960 | (6,172,250) | 11,620,710 | 2,978,211 |
| Emerging Country Debt Fund | 4,494,636,779 | 345,970,388 | (591,278,303) | (245,307,915) | 11,569,204 |
| High Yield Fund | 161,425,303 | 1,474,087 | (1,565,717) | (91,630) | (876,137) |
| Opportunistic Income Fund | 840,920,394 | 29,952,399 | (36,106,066) | (6,153,667) | (17,085,626) |
| U.S. Treasury Fund | 233,368,796 | 677,769 | (3,561) | 674,208 | — |

The Funds are subject to authoritative guidance related to the accounting and disclosure of uncertain tax positions under U.S. GAAP. This guidance sets forth a minimum threshold for the financial statement recognition of tax positions taken based on the technical

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merits of such positions. United States and non-U.S. tax rules (including the interpretation and application of tax laws) are subject to change. The Funds file tax returns and/or adopt certain tax positions in various jurisdictions. Non-U.S. taxes are provided for based on the Funds' understanding of the prevailing tax rules of the non-U.S. markets in which they invest. Recently enacted tax rules, including interpretations of tax laws and tax legislation/initiatives currently under consideration in various jurisdictions, including the U.S., might affect the way the Funds and their investors are taxed prospectively and/or retroactively. Prior to the expiration of the relevant statutes of limitations, if any, the Funds are subject to examination by U.S. federal, state, local and non-U.S. jurisdictions with respect to the tax returns they have filed and the tax positions they have adopted. The Funds' U.S. federal income tax returns are generally subject to examination by the Internal Revenue Service for a period of three years after they are filed. State, local and/or non-U.S. tax returns and/or other filings may be subject to examination for different periods, depending upon the tax rules of each applicable jurisdiction.

Security transactions and related investment income

Security transactions are accounted for in the financial statements on trade date. For purposes of daily net asset value calculations, the Funds' policy is that security transactions are generally accounted for on the following business day. GMO may override that policy and a Fund may account for security transactions on trade date if it experiences significant purchases or redemptions or engages in significant portfolio transactions. Dividend income, net of applicable foreign withholding taxes, if any, is recorded on the ex-dividend date or, if later, when a Fund is informed of the ex-dividend date. Income dividends and capital gain distributions from underlying funds, if any, are recorded on the ex-dividend date. Interest income is recorded on the accrual basis and is adjusted for the amortization of premiums and accretion of discounts. Principal on inflation-indexed securities is adjusted for inflation/deflation and any increase or decrease is recorded as interest income or investment loss. Coupon income is not recognized on securities for which collection is not expected. Paydown gains and losses on mortgage-related and other asset-backed securities, if any, are recorded as components of interest income in the Statements of Operations. Non-cash dividends, if any, are recorded at the fair market value of the asset received. In determining the net gain or loss on securities sold, the Funds use the identified cost basis.

Expenses and class allocations

Most of the expenses of the Trust are directly attributable to an individual Fund. Generally, common expenses are allocated among the Funds based on, among other things, the nature and type of expense and the relative size of the Funds. Investment income, common expenses, purchase premiums and redemption fees, if any, and realized and unrealized gains and losses are allocated among the classes of shares of the Funds, if applicable, based on the relative net assets of each class. Shareholder service fees, if any, which are directly attributable to a class of shares, are charged to that class's operations. In addition, the Funds may incur fees and expenses indirectly as a shareholder in the underlying funds. Because the underlying funds have different expense and fee levels and the Funds may own different proportions of the underlying funds at different times, the amount of fees and expenses indirectly incurred by a Fund will vary (see Note 5).

Custodian, Fund Accounting Agent and Transfer Agent

State Street Bank and Trust Company ("State Street") serves as the Funds' custodian, fund accounting agent and transfer agent. Cash balances maintained at the custodian and transfer agent are held in a Demand Deposit Account and interest income earned, if any, is shown as interest income in the Statements of Operations.

Purchases and redemptions of Fund shares

Purchase premiums and redemption fees (if applicable) are paid to and retained by a Fund to help offset estimated portfolio transaction costs and other related costs (e.g., bid to ask spreads, stamp duties, and transfer fees) incurred by the Fund (directly or indirectly through investments in underlying funds) as a result of an investor's purchase or redemption by allocating estimated transaction costs to the purchasing or redeeming shareholder. Such fees are recorded as a component of the Funds' net share transactions. A Fund may impose a new purchase premium and redemption fee or modify an existing fee at any time.

Purchase premiums are not charged on reinvestments of dividends or other distributions. Redemption fees apply to all shares of a Fund regardless of how the shares were acquired (e.g., by direct purchase or by reinvestment of dividends or other distributions).

If GMO determines that any portion of a cash purchase or redemption, as applicable, is offset by a corresponding cash redemption or purchase occurring on the same day, it ordinarily will waive or reduce the purchase premium or redemption fee with respect to that portion.

GMO also may waive or reduce the purchase premium or redemption fee for a cash purchase or redemption of a Fund's shares if the Fund will not incur transaction costs or will incur reduced transaction costs.

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Notes to Financial Statements — (Continued) February 29, 2020

GMO also may reduce the purchase premium to the extent that securities are used to purchase a Fund's shares (taking into account transaction costs, stamp duties or transfer fees). GMO may reduce redemption fees to the extent a Fund uses portfolio securities to redeem its shares (taking into account transaction costs, stamp duties or transfer fees).

As of February 29, 2020, the premium on cash purchases and the fee on cash redemptions were as follows:

| | Asset Allocation Bond Fund | Core Plus Bond Fund | Emerging Country Debt Fund ⁽¹⁾ | High Yield Fund | Opportunistic Income Fund ⁽²⁾ | U.S. Treasury Fund |
|------------------|----------------------------|---------------------|---|-----------------|--|--------------------|
| Purchase Premium | — | — | 0.75% | — | — | — |
| Redemption Fee | — | — | 0.75% | — | — | — |

⁽¹⁾ Prior to February 1, 2016, the premiums on purchases and the fee on redemptions were each 0.50% of the amount invested or redeemed.

⁽²⁾ Prior to June 30, 2019, the premiums on purchases and the fee on redemptions were each 0.40% of the amount invested or redeemed.

Recently-issued accounting guidance

In August 2018, the Financial Accounting Standards Board ("FASB") issued a new Accounting Standards Update 2018-13, "*Fair Value Measurement (Topic 820) Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurement*" ("ASU 2018-13"). The amendments in ASU 2018-13 apply to all entities that are required, under existing U.S. GAAP, to make disclosures about recurring or nonrecurring fair value measurements. The amendments in ASU 2018-13 modify, remove and add certain disclosure requirements from FASB Accounting Standards Codification 820, *Fair Value Measurement*. The amendments in ASU 2018-13 are effective for all public entities for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2019 with early adoption permitted. The Funds have early adopted the modifications and removals under this amendment and GMO is currently evaluating the impact, if any, of the new disclosure requirements on the Funds' financial statements.

In March 2017, the FASB issued a new Accounting Standards Update No. 2017-08, "*Receivables – Nonrefundable Fees and Other Costs (Subtopic 310-20), Premium Amortization on Purchased Callable Debt Securities*" ("ASU 2017-08"). ASU 2017-08 amends the required amortization period for purchased callable debt securities that have been purchased at a premium. The scope of the amendment is limited to debt securities that have an explicit non-contingent call feature at a fixed price on a preset date or dates. The amendment requires that the aforementioned premium on such debt securities shall be amortized through the next call date, whereas current U.S. GAAP requires amortization through the maturity date of the security. This amendment does not apply to debt securities purchased at a discount. The Funds adopted ASU 2017-08 effective March 1, 2019. The adoption of ASU 2017-08 did not materially impact the Funds' financial statements.

GMO Trust Funds

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3. Investment and other risks

The following chart identifies selected risks associated with each Fund. Risks not marked for a particular Fund may, however, still apply to some extent to that Fund at various times.

| | Asset Allocation Bond Fund | Core Plus Bond Fund | Emerging Country Debt Fund | High Yield Fund | Opportunistic Income Fund | U.S. Treasury Fund |
|---|----------------------------|---------------------|----------------------------|-----------------|---------------------------|--------------------|
| Commodities Risk | X | | | | | |
| Counterparty Risk | X | X | X | X | X | X |
| Credit Risk | X | X | X | X | X | X |
| Currency Risk | X | X | X | X | X | |
| Derivatives and Short Sales Risk | X | X | X | X | X | |
| Focused Investment Risk | X | X | X | X | X | |
| Fund of Funds Risk | X | X | X | X | X | |
| Futures Contracts Risk | | X | | X | X | |
| Illiquidity Risk | X | X | X | X | X | |
| Large Shareholder Risk | X | X | X | X | X | X |
| Leveraging Risk | X | X | X | X | X | |
| Management and Operational Risk | X | X | X | X | X | X |
| Market Disruption and Geopolitical Risk | X | X | X | X | X | X |
| Market Risk – Asset-Backed Securities | X | X | X | | X | |
| Market Risk – Equities | X | | | | X | |
| Market Risk – Fixed Income | X | X | X | X | X | X |
| Non-Diversified Funds | X | X | X | X | X | |
| Non-U.S. Investment Risk | X | X | X | X | X | |
| Small Company Risk | X | X | | | X | |

Investing in mutual funds involves many risks. The risks of investing in a particular Fund depend on the types of investments in its portfolio and the investment strategies GMO employs on its behalf. This section does not describe every potential risk of investing in the Funds. Funds could be subject to additional risks because of the types of investments they make and market conditions, which may change over time. Please see the Funds' prospectus for more information regarding the risks of investing in the Funds.

Each Fund that invests in other GMO Funds or other investment companies (collectively, "Underlying Funds") is exposed to the risks to which the Underlying Funds in which it invests are exposed, as well as the risk that the Underlying Funds will not perform as expected. Therefore, unless otherwise noted, the selected risks summarized below include both direct and indirect risks, and references in this section to investments made by a Fund include those made both directly by the Fund and indirectly by the Fund through Underlying Funds.

An investment in a Fund is not a bank deposit and, therefore, is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

GMO Trust Funds

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• **COMMODITIES RISK.** Commodity prices can be extremely volatile and are affected by many factors. Exposure to commodities can cause the value of a Fund's shares to decline or fluctuate in a rapid and unpredictable manner. In addition, the value of commodity-related derivatives or indirect investments in commodities may fluctuate more than the commodity, commodities or commodity index to which they relate. See "Derivatives and Short Sales Risk" for a discussion of specific risks of a Fund's derivatives investments, including commodity-related derivatives.

• **COUNTERPARTY RISK.** Funds that enter into contracts with counterparties, such as repurchase or reverse repurchase agreements or OTC derivatives contracts, or that lend their securities run the risk that the counterparty will be unable or unwilling to make timely settlement payments or otherwise honor its obligations. If a counterparty fails to meet its contractual obligations, goes bankrupt, or otherwise experiences a business interruption, the Fund could miss investment opportunities or otherwise be forced to hold investments it would prefer to sell, resulting in losses for the Fund. In addition, a Fund may suffer losses if a counterparty fails to comply with applicable laws, regulations or other requirements. The Funds are not subject to any limit on their exposure to any one counterparty nor to a requirement that counterparties with whom they enter into contracts maintain a specific rating by a nationally recognized rating organization. Counterparty risk is pronounced during unusually adverse market conditions and is particularly acute in environments in which financial services firms are exposed (as they were in 2008) to systemic risks of the type evidenced by the insolvency of Lehman Brothers and subsequent market disruptions.

Participants in OTC derivatives markets typically are not subject to the same level of credit evaluation and regulatory oversight as are members of exchange-based markets, and, therefore, OTC derivatives generally expose a Fund to greater counterparty risk than exchange-traded derivatives. A Fund is subject to the risk that a counterparty will not settle a derivative in accordance with its terms because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem. If a counterparty's obligation to a Fund is not collateralized, then the Fund is essentially an unsecured creditor of the counterparty. If a counterparty defaults, the Fund will have contractual remedies (whether or not the obligation is collateralized), but the Fund may be unable to enforce them, thus causing the Fund to suffer a loss. Counterparty risk is greater for derivatives with longer maturities because of the longer time during which events may occur that prevent settlement. Counterparty risk also is greater when a Fund has entered into derivatives contracts with a single or small group of counterparties as it sometimes does as a result of its use of swaps and other OTC derivatives. Funds that use swap contracts are subject, in particular, to the creditworthiness of the counterparties because some types of swap contracts have terms longer than six months (and, in some cases, decades). The creditworthiness of a counterparty can be expected to be adversely affected by greater than average volatility in the markets, even if the counterparty's net market exposure is small relative to its capital. Counterparty risk still exists even if a counterparty's obligations are secured by collateral if the Fund's interest in the collateral is not perfected or additional collateral is not posted promptly as required. GMO's view with respect to a particular counterparty is subject to change. The fact, however, that it changes adversely (whether due to external events or otherwise) does not mean that a Fund's existing transactions with that counterparty will necessarily be terminated or modified. In addition, a Fund may enter into new transactions with a counterparty that GMO no longer considers a desirable counterparty (for example, re-establishing the transaction with a lower notional amount or entering into a countervailing trade with the same counterparty). Counterparty risk also will be greater if a counterparty's obligations exceed the value of the collateral held by the Fund (if any).

The Funds also are subject to counterparty risk because they execute their securities transactions through brokers and dealers. If a broker or dealer fails to meet its contractual obligations, goes bankrupt, or otherwise experiences a business interruption, the Funds could miss investment opportunities or be unable to dispose of investments they would prefer to sell, resulting in losses for the Funds. Counterparty risk with respect to derivatives has been and will continue to be affected by new rules and regulations relating to the derivatives market. As described under "Derivatives and Short Sales Risk," some derivatives transactions are required to be centrally cleared, and a party to a cleared derivatives transaction is subject to the credit risk of the clearing house and the clearing member through which it holds its cleared position. Credit risk of market participants with respect to derivatives that are centrally cleared is concentrated in a few clearing houses, and it is not clear how an insolvency proceeding of a clearing house would be conducted and what impact an insolvency of a clearing house would have on the financial system. Also, in the event of a counterparty's (or its affiliate's) insolvency, the possibility exists that the Funds' ability to exercise remedies, such as the termination of transactions, netting of obligations or realization on collateral, could be stayed or eliminated under new special resolution regimes adopted in the United States, the European Union and various other jurisdictions. Such regimes provide governmental authorities broad authority to intervene when a financial institution is experiencing financial difficulty. In particular, in the European Union, governmental authorities could reduce, eliminate, or convert to equity the liabilities to the Funds of a counterparty experiencing financial difficulties (sometimes referred to as a "bail in").

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• **CREDIT RISK.** This is the risk that the issuer or guarantor of a fixed income investment or the obligors of obligations underlying an asset-backed security will be unable or unwilling to satisfy their obligation to pay principal and interest or otherwise to honor their obligations in a timely manner. The market price of a fixed income investment will normally decline as a result (and/or in anticipation) of the issuer's, guarantor's, or obligors' failure to meet their payment obligations or a downgrading of the credit rating of the investment. This risk is particularly acute in environments in which financial services firms are exposed (as they were in 2008) to systemic risks of the type evidenced by the insolvency of Lehman Brothers and subsequent market disruptions. Fixed income investments also are subject to illiquidity risk. See "Illiquidity Risk."

All fixed income investments are subject to credit risk. Financial strength and solvency of an issuer are the primary factors influencing credit risk. The risk varies depending upon whether the issuer is a corporation, a government or government entity, whether the particular security has a priority over other obligations of the issuer in payment of principal and interest and whether it has any collateral backing or credit enhancement. Credit risk may change over the term of a fixed income investment. U.S. government securities are subject to varying degrees of credit risk depending upon whether the securities are supported by the full faith and credit of the United States, supported by the ability to borrow from the U.S. Treasury, supported only by the credit of the issuing U.S. government agency, instrumentality, or corporation, or otherwise supported by the United States. For example, issuers of many types of U.S. government securities (e.g., the Federal Home Loan Mortgage Corporation ("Freddie Mac"), Federal National Mortgage Association ("Fannie Mae"), and Federal Home Loan Banks), although chartered or sponsored by Congress, are not funded by Congressional appropriations and their fixed income securities, including mortgage-backed and other asset-backed securities, are neither guaranteed nor insured by the U.S. government. These securities are subject to more credit risk than U.S. government securities that are supported by the full faith and credit of the United States (e.g., U.S. Treasury bonds). Investments in sovereign or quasi-sovereign debt involve the risk that the governmental entities responsible for repayment will be unable or unwilling to pay interest and repay principal when due. A governmental entity's ability and willingness to pay interest and repay principal in a timely manner can be expected to be affected by a variety of factors, including its cash flow, the size of its reserves, its access to foreign exchange, the relative size of its debt service burden to its economy as a whole, and political constraints. Investments in quasi-sovereign issuers are subject to the additional risk that the issuer will default independently of its sovereign. Sovereign debt risk is greater for fixed income securities issued or guaranteed by emerging countries.

In many cases, the credit risk and market price of a fixed income investment are reflected in its credit ratings, and a Fund holding a rated investment is subject to the risk that the investment's rating will be downgraded, resulting in a decrease in the market price of the fixed income investment.

Securities issued by the U.S. government historically have presented minimal credit risk. However, events in 2011 led several major rating agencies to downgrade the long-term credit rating of U.S. bonds and introduced greater uncertainty about the repayment by the United States of its obligations. A further credit rating downgrade could decrease, and a default in the payment of principal or interest on U.S. government securities would decrease, the market price of a Fund's investments and increase the volatility of a Fund's portfolio.

As described under "Market Risk — Asset-Backed Securities," asset-backed securities may be backed by many types of assets and their payment of interest and repayment of principal largely depend on the cash flows generated by the assets backing them. The credit risk of a particular asset-backed security depends on many factors, as described under "Market Risk — Asset-Backed Securities." The obligations of issuers also may be subject to bankruptcy, insolvency and other laws affecting the rights and remedies of creditors.

A Fund also is exposed to credit risk on a reference security to the extent it writes protection under credit default swaps. See "Derivatives and Short Sales Risk" for more information regarding risks associated with the use of credit default swaps.

The extent to which the market price of a fixed income investment changes in response to a credit event depends on many factors and can be difficult to predict. For example, even though the effective duration of a long-term floating rate security is very short, an adverse credit event or change in the perceived creditworthiness of its issuer could cause its market price to decline much more than its effective duration would suggest.

Credit risk is particularly pronounced for below investment grade investments (commonly referred to as "high yield" or "junk bonds"). The sovereign debt of many non-U.S. governments, including their sub-divisions and instrumentalities, is below investment grade. Many asset-backed securities also are below investment grade. Below investment grade investments have speculative

GMO Trust Funds

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characteristics, often are less liquid than higher quality investments, present a greater risk of default and are more susceptible to real or perceived adverse industry conditions. Investments in distressed or defaulted or other low quality debt instruments generally are considered speculative and typically involve substantial risks not normally associated with investments in higher quality investments, including adverse business, financial or economic conditions that lead to payment defaults and insolvency proceedings on the part of their issuers. In particular, distressed or defaulted obligations might be repaid, if at all, only after lengthy workout or bankruptcy proceedings, during which the issuer does not make any interest or other payments and a Fund incurs additional expenses in seeking recovery. If GMO's assessment of the eventual recovery value of a distressed or defaulted debt instrument proves incorrect, a Fund is likely to lose a substantial portion or all of its investment or may be required to accept cash or instruments worth less than its original investment. In the event of a default of sovereign debt, the Funds may be unable to pursue legal action against the issuer.

• **CURRENCY RISK.** Currency risk is the risk that fluctuations in exchange rates will adversely affect the market value of a Fund's investments. Currency risk includes the risk that the currencies in which a Fund's investments are traded, in which a Fund receives income, or in which a Fund has taken a position will decline in value. Currency risk also includes the risk that the currency to which the Fund has obtained exposure through hedging declines in value relative to the currency being hedged, in which event the Fund is likely to realize a loss on both the hedging instrument and the currency being hedged. Currency exchange rates can fluctuate significantly for many reasons. See "Market Disruption and Geopolitical Risk."

Many of the Funds use derivatives to take currency positions that are under- or over-weighted (in some cases significantly) relative to the currency exposure of their portfolios and their benchmarks. If the exchange rates of the currencies involved do not move as expected, a Fund could lose money on both its holdings of a particular currency and the derivative. See also "Non-U.S. Investment Risk."

Some currencies are illiquid (e.g., some emerging country currencies), and a Fund may not be able to convert them into U.S. dollars or may only be able to do so at an unfavorable exchange rate. Exchange rates for many currencies are affected by exchange control regulations.

Derivative transactions in foreign currencies (such as futures, forwards, options and swaps) may involve leveraging risk in addition to currency risk, as described under "Leveraging Risk." In addition, the obligations of counterparties in currency derivative transactions are often not secured by collateral, which increases counterparty risk (see "Counterparty Risk").

• **DERIVATIVES AND SHORT SALES RISK.** All of the Funds may invest in derivatives, which are financial contracts whose value depends on, or is derived from, the value of underlying assets, such as securities, commodities or currencies, reference rates, such as interest rates, currency exchange rates or inflation rates, or indices. Derivatives involve the risk that their value may not change as expected relative to changes in the value of the assets, rates, or indices they are designed to track. Derivatives include, but are not limited to, futures contracts, forward contracts, foreign currency contracts, swap contracts, contracts for differences, options on securities and indices, options on futures contracts, options on swap contracts, interest rate caps, floors and collars, reverse repurchase agreements, and other OTC contracts.

The use of derivatives involves risks that are in addition to, and potentially greater than, the risks of investing directly in securities. In particular, a Fund's use of OTC derivatives exposes it to the risk that the counterparties will be unable or unwilling to make timely settlement payments or otherwise honor their obligations. An OTC derivatives contract typically can be closed, or the position transferred, only with the consent of the other party to the contract. If the counterparty defaults, the Fund will still have contractual remedies but may not be able to enforce them. Because the contract for each OTC derivative is individually negotiated, the counterparty may interpret contractual terms (e.g., the definition of default) differently than the Fund, and if it does, the Fund may decide not to pursue its claims against the counterparty to avoid the cost and unpredictability of legal proceedings. The Fund, therefore, runs the risk of being unable to obtain payments GMO believes are owed to it under an OTC derivatives contract or of those payments being delayed or made only after the Fund has incurred the cost of litigation.

A Fund may invest in derivatives that (i) do not require the counterparty to post collateral (e.g., foreign currency forwards), (ii) require collateral but that do not provide for the Fund's security interest in it to be perfected, (iii) require a significant upfront deposit by the Fund unrelated to the derivative's fundamental fair (or intrinsic) value, or (iv) do not require that collateral be regularly marked-to-market. When a counterparty's obligations are not fully secured by collateral, a Fund runs a greater risk of not being able to recover what it is owed if the counterparty defaults. Derivatives also present other risks described in this section, including market risk, illiquidity risk, currency risk, credit risk, and counterparty risk.

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Many derivatives, in particular OTC derivatives, are complex and their valuation often requires modeling and judgment, which increases the risk of mispricing or improper valuation and exposes the Funds to the risk that the pricing models used do not produce valuations that are consistent with the values a Fund realizes when it closes or sells an OTC derivative. Valuation risk is more pronounced when a Fund enters into OTC derivatives with specialized terms because the value of those derivatives in some cases is determined only by reference to similar derivatives with more standardized terms. As a result, there is a risk that inaccurate valuations will result in increased cash payments to counterparties, under-collateralization and/or errors in the calculation of a Fund's net asset value.

A Fund's use of derivatives may not be effective or have the desired results. Moreover, suitable derivatives will not be available in all circumstances. For example, the cost of taking some derivative positions may be prohibitive, and if a counterparty or its affiliate is deemed to be an affiliate of a Fund, the Funds will not be permitted to trade with that counterparty.

Swap contracts and other OTC derivatives are highly susceptible to illiquidity risk (see "Illiquidity Risk") and counterparty risk (see "Counterparty Risk"). These derivatives also are subject to documentation risk, which is the risk that ambiguities, inconsistencies or errors in the documentation relating to a derivative transaction will lead to a dispute with the counterparty or unintended investment results. In addition, see "Commodities Risk" for a discussion of risks specific to commodity-related derivatives. Because many derivatives have a leverage component (i.e. a notional value in excess of the assets needed to establish and/or maintain the derivative position), adverse changes in the value or level of the underlying asset, rate or index could result in a loss substantially greater than the amount invested in the derivative itself. See "Leveraging Risk."

Special tax rules apply to a Fund's transactions in derivatives, which could increase the taxes payable by shareholders subject to U.S. income taxation. In particular, a Fund's derivative transactions potentially could cause a substantial portion of the Fund's distributions to be taxable at ordinary income tax rates. In addition, the tax treatment of a Fund's use of derivatives will sometimes be unclear. See the Funds' Prospectus and Statement of Additional Information for more information.

The SEC has proposed a rule under the 1940 Act, regulating the use by registered investment companies of derivatives and many related instruments. That rule, if adopted as proposed, would, among other things, restrict a Fund's ability to engage in derivatives transactions or so increase the cost of derivatives transactions that GMO would be unable to implement a Fund's investment strategy.

Derivatives Regulation. The U.S. government has enacted legislation that provides for regulation of the derivatives market, including clearing, margin, reporting, and registration requirements. The European Union (and some other countries) have adopted similar requirements, which affect a Fund when it enters into a derivatives transaction with a counterparty subject to those requirements. Because these U.S. and European Union requirements are evolving, their impact on the Funds remains unclear.

Transactions in some types of swaps (including interest rate swaps and credit default swaps on North American and European indices) are required to be centrally cleared. In a transaction involving those swaps ("cleared derivatives"), a Fund's counterparty is a clearing house rather than a bank or broker. Since the Funds are not members of clearing houses and only members of a clearing house ("clearing members") can participate directly in the clearing house, the Funds hold cleared derivatives through accounts at clearing members. In cleared derivative positions, the Funds make payments (including margin payments) to and receive payments from a clearing house through their accounts at clearing members. Clearing members guarantee performance of their clients' obligations to the clearing house.

In some ways, cleared derivative arrangements are less favorable to mutual funds than bilateral arrangements, for example, by requiring that funds provide more margin for their cleared derivative positions. Also, as a general matter, in contrast to a bilateral derivative position, following a period of notice to a Fund, a clearing member at any time can require termination of an existing cleared derivative position or an increase in the margin required at the outset of a transaction. Clearing houses also have broad rights to increase the margin required for existing positions or to terminate those positions at any time. Any increase in margin requirements or termination of existing cleared derivative positions by the clearing member or the clearing house could interfere with the ability of a Fund to pursue its investment strategy. Further, any increase in margin requirements by a clearing member could expose a Fund to greater credit risk to its clearing member because margin for cleared derivative positions in excess of a clearing house's margin requirements typically is held by the clearing member (see "Counterparty Risk"). Also, a Fund is subject to risk if it enters into a derivatives transaction that is required to be cleared (or that GMO expects to be cleared), and no clearing member is willing or able to clear the transaction on the Fund's behalf. While the documentation in place between the Funds and their clearing members generally provides that the clearing members will accept for clearing all cleared derivatives transactions that are within credit limits (specified in advance) for each Fund, the Funds are still subject to the risk that no clearing member will be willing or able to clear a transaction.

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In those cases, the position might have to be terminated, and the Fund could lose some or all of the benefit of the position, including loss of an increase in the value of the position and loss of hedging protection. In addition, the documentation governing the relationship between the Funds and clearing members is drafted by the clearing members and generally is less favorable to the Funds than the documentation for typical bilateral derivatives. For example, documentation relating to cleared derivatives generally includes a one-way indemnity by the Funds in favor of the clearing member for losses the clearing member incurs as the Funds' clearing member. Also, such documentation typically does not provide the Funds any remedies if the clearing member defaults or becomes insolvent. While futures contracts entail similar risks, the risks are likely to be more pronounced for cleared derivatives due to their more limited liquidity and market history.

Some types of cleared derivatives are required to be executed on an exchange or on a swap execution facility. A swap execution facility is a trading platform where multiple market participants can execute derivatives by accepting bids and offers made by multiple other participants in the platform. While this execution requirement is designed to increase transparency and liquidity in the cleared derivatives market, trading on a swap execution facility can create additional costs for the Funds. For example, swap execution facilities typically charge fees, and if a Fund executes derivatives on a swap execution facility through a broker intermediary, the intermediary may impose fees as well. Also, a Fund may be required to indemnify a swap execution facility, or a broker intermediary who executes cleared derivatives on a swap execution facility on the Fund's behalf, against any losses or costs that may be incurred as a result of the Fund's transactions on the swap execution facility.

If a Fund wishes to execute a package of transactions that include a swap that is required to be executed on a swap execution facility as well as other transactions (for example, a transaction that includes both a security and an interest rate swap that hedges interest rate exposure with respect to such security), the Fund may be unable to execute all components of the package on the swap execution facility. In that case, the Fund would need to trade some components of the package on the swap execution facility and other components in another manner, which could subject the Fund to the risk that some components would be executed successfully and others would not, or that the components would be executed at different times, leaving the Fund with an unhedged position for a period of time.

The U.S. government and the European Union have adopted mandatory minimum margin requirements for bilateral derivatives. New variation margin requirements became effective in March 2017 and new initial margin requirements will become effective in 2020. Such requirements could increase the amount of margin a Fund needs to post in connection with its derivatives transactions and, therefore, make derivatives transactions more expensive.

These and other new rules and regulations could, among other things, further restrict a Fund's ability to engage in, or increase the cost to the Fund of, derivatives transactions, for example, by making some types of derivatives no longer available to the Fund or otherwise limiting liquidity. The implementation of the clearing requirement has increased the cost of derivatives transactions for the Funds, since the Funds have to pay fees to their clearing members and are typically required to post more margin for cleared derivatives than they historically posted for bilateral derivatives. The cost of derivatives transactions is expected to increase further as clearing members raise their fees to cover the cost of additional capital requirements and other regulatory changes applicable to the clearing members. These rules and regulations are evolving, and, therefore, their potential impact on the Funds and the financial system are not yet known. While the new rules and regulations and central clearing of some derivatives transactions are designed to reduce systemic risk (i.e. the risk that the interdependence of large derivatives dealers could cause them to suffer liquidity, solvency or other challenges simultaneously), there is no assurance that they will achieve that result, and in the meantime, as noted above, central clearing and related requirements expose the Funds to new kinds of costs and risks.

Options. Some Funds are permitted to write options. The market price of an option is affected by many factors, including changes in the market prices or dividend rates of underlying securities (or in the case of indices, the securities in such indices); the time remaining before expiration; changes in interest rates or exchange rates; and changes in the actual or perceived volatility of the relevant stock market and underlying securities. The market price of an option also may be adversely affected if the market for the option becomes less liquid. In addition, since an American-style option allows the holder to exercise its rights at any time before the option's expiration, the writer of an American-style option has no control over when it will be required to fulfill its obligations as a writer of the option. (The writer of a European-style option is not subject to this risk because the holder may only exercise the option on its expiration date.)

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National securities exchanges generally have established limits on the maximum number of options an investor or group of investors acting in concert may write. A Fund, GMO, and other funds advised by GMO likely constitute such a group. When applicable, these limits restrict a Fund's ability to purchase or write options on a particular security.

Unlike exchange-traded options, which are standardized with respect to the underlying instrument, expiration date, contract size, and strike price, the terms of OTC options (i.e., options not traded on exchanges) generally are established through negotiation with the other party to the option contract. While a Fund has greater flexibility to tailor an OTC option, OTC options generally expose a Fund to greater credit risk than exchange-traded options, which are guaranteed by the clearing organization of the exchanges where they are traded. Purchasing and writing put and call options are highly specialized activities and entail greater than ordinary market risks.

Short Investment Exposure. Some Funds may sell securities or currencies short as part of their investment programs in an attempt to increase their returns or for hedging purposes. Short sales expose a Fund to the risk that it will be required to acquire, convert, or exchange a security or currency to replace the borrowed security or currency when the security or currency sold short has appreciated in value, thus resulting in a loss to the Fund. Purchasing a security or currency to close out a short position can itself cause the price of the security or currency to rise further, thereby exacerbating any losses. A Fund that sells short a security or currency it does not own typically pays borrowing fees to a broker and is required to pay the broker any dividends or interest it receives on a borrowed security.

A Fund also may create short investment exposure by taking a derivative position in which the value of the derivative moves in the opposite direction from the price of an underlying asset, pool of assets, rate, currency or index.

Short sales of securities or currencies a Fund does not own and "short" derivative positions involve forms of investment leverage, and the amount of the Fund's potential loss is theoretically unlimited. A Fund is subject to increased leveraging risk and other investment risks described in this "Investment and other risks" section to the extent it sells short securities or currencies it does not own or takes "short" derivative positions.

• **FOCUSED INVESTMENT RISK.** Funds with investments that are focused in a limited number of asset classes, sectors, industries, issuers, currencies, countries, or regions (or in sectors within a country or region) that are subject to the same or similar risk factors and Funds with investments whose prices are closely correlated are subject to greater overall risk than Funds with investments that are more diversified or whose prices are not as closely correlated.

A Fund that invests in the securities of a small number of issuers has greater exposure to adverse developments affecting those issuers and to a decline in the market price of those issuers' securities than Funds investing in the securities of a larger number of issuers. Securities, sectors, or companies that share common characteristics are often subject to similar business risks and regulatory burdens and often react similarly to specific economic, market, political or other developments.

Similarly, Funds having a significant portion of their assets in investments tied economically to a particular geographic region, country or market (e.g., emerging markets), or to sectors within a region, country, or market (e.g., Russian oil) have more exposure to regional and country economic risks than funds making investments throughout the world. The political and economic prospects of one country or group of countries within the same geographic region may affect other countries in that region, and a recession, debt crisis or decline in the value of the currency of one country can spread to other countries. Furthermore, companies in a particular geographic region or country are vulnerable to events affecting other companies in that region or country because they often share common characteristics, are exposed to similar business risks and regulatory burdens, and react similarly to specific economic, market, political or other developments. See also "Non-U.S. Investment Risk."

• **FUND OF FUNDS RISK.** Funds that invest in Underlying Funds (including underlying GMO Funds) are exposed to the risk that the Underlying Funds will not perform as expected. The Funds also are indirectly exposed to all of the risks to which the Underlying Funds are exposed.

Because, absent reimbursement, a Fund bears the fees and expenses of an Underlying Fund (including purchase premiums and redemption fees, if any) in which it invests, the Fund will incur additional expenses when investing in an Underlying Fund. In addition, total Fund expenses will increase if a Fund makes a new or further investment in Underlying Funds with higher fees or expenses than the average fees and expenses of the Underlying Funds then in the Fund's portfolio.

In addition, to the extent a Fund invests in shares of underlying GMO Funds, it is indirectly subject to Large Shareholder Risk when an underlying GMO Fund has large shareholders (e.g., other GMO Funds). See "Large Shareholder Risk."

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At any particular time, one Underlying Fund may be purchasing securities of an issuer whose securities are being sold by another Underlying Fund, resulting in a Fund that holds each Underlying Fund indirectly incurring the costs associated with the two transactions without changing its exposure to those securities.

Investments in exchange-traded funds (“ETFs”) involve the risk that an ETF’s performance will not track the performance of the index it is designed to track. In addition, ETFs often use derivatives to track the performance of an index, and, therefore, investments in those ETFs are subject to the same derivatives risks discussed in “Derivatives and Short Sales Risk.” ETFs are investment companies that typically hold a portfolio of securities designed to track the price, performance, and dividend yield of a particular securities market index (or sector of an index). As investment companies, ETFs incur their own management and other fees and expenses, such as trustee fees, operating expenses, registration fees, and marketing expenses, and a Fund that invests in ETFs bears a proportionate share of such fees and expenses. As a result, an investment by a Fund in an ETF could result in higher expenses and lower returns than if the Fund were to invest directly in the securities underlying the ETF.

A Fund’s investments in one or more Underlying Funds could affect the amount, timing and character of its distributions and could cause the Fund to recognize taxable income in excess of the cash generated by such investments, requiring the Fund in turn to liquidate investments at disadvantageous times to generate cash needed to make required distributions.

• **FUTURES CONTRACTS RISK.** The risk of loss to a Fund resulting from its use of futures contracts (or “futures”) is potentially unlimited. Futures markets are highly volatile, and the use of futures contracts may increase the volatility of the Fund’s net asset value. A Fund’s ability to establish and close out positions in futures contracts is subject to the development and maintenance of a liquid secondary market. A liquid secondary market may not exist for any particular futures contract at any particular time, and a Fund might be unable to effect closing transactions to terminate its exposure to the contract. In using futures contracts, a Fund relies on GMO’s ability to predict market and price movements correctly. The skills needed to use futures contracts successfully are different from those needed for traditional portfolio management. If a Fund uses futures contracts for hedging purposes, it runs the risk that changes in the prices of the contracts will not correlate perfectly with changes in the securities, index, or other asset underlying the contracts or movements in the prices of the Fund’s investments that are the subject of the hedge.

A Fund typically will be required to post margin with its futures commission merchant in connection with its positions in futures contracts. If the Fund has insufficient cash to meet margin requirements, the Fund typically will have to sell other investments at disadvantageous times. A Fund also runs the risk of being unable to reenter or be delayed in recovering margin or other amounts deposited with a futures commission merchant or futures clearinghouse. For example, should the futures commission merchant become insolvent, a Fund may be unable to recover all (or any) of the margin it has deposited or realize the value of any increase in the price of its positions.

The Commodity Futures Trading Commission (the “CFTC”) and the various exchanges have established limits (referred to as “speculative position limits”) on the maximum net long or net short positions that any person and certain of its affiliated entities may hold or control in a particular futures contract. In addition, an exchange may impose trading limits on the number of contracts a person may trade on a particular day. An exchange may order the liquidation of positions found to be in violation of these limits, and it may impose sanctions or restrictions. In addition, the Dodd-Frank Wall Street Reform and Consumer Protection Act requires the CFTC to establish speculative position limits on listed futures and economically equivalent OTC derivatives, and those limits may adversely affect the market liquidity of those futures and derivatives. As a result of such limits, positions held by other GMO clients or by GMO or its affiliates could prevent GMO from taking positions on behalf of a Fund in a particular futures contract or OTC derivative.

Futures contracts traded on markets outside the United States are not subject to regulation by the CFTC or other U.S. regulators. U.S. regulators neither regulate the activities of a foreign exchange nor have the power to compel enforcement of the rules of a foreign exchange or the laws of the country where the exchange is located. In addition, foreign futures contracts may be less liquid and more volatile than U.S. contracts.

• **ILLIQUIDITY RISK.** Illiquidity risk is the risk that low trading volume, lack of a market maker, large position size, or legal restrictions (including daily price fluctuation limits or “circuit breakers”) limits, delays or prevents a Fund from selling particular securities or closing derivative positions at desirable prices. In addition to these risks, a Fund is exposed to illiquidity risk when it has an obligation to purchase particular securities (e.g., as a result of entering into reverse repurchase agreements, writing a put, or closing a short position). To the extent a Fund’s investments include asset-backed securities, distressed, defaulted or other low quality debt securities, emerging country debt or equity securities or securities of companies with smaller market capitalizations or smaller total

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float-adjusted market capitalizations, it is subject to increased illiquidity risk. These types of investments can be difficult to value, exposing a Fund to the risk that the price at which it sells them will be less than the price at which they were valued when held by the Fund. Illiquidity risk also tends to be greater in times of financial stress. For example, inflation-protected securities issued by the U.S. Treasury (“TIPS”) have experienced periods of greatly reduced liquidity during disruptions in fixed income markets, such as the events surrounding the bankruptcy of Lehman Brothers in 2008. Less liquid securities are often more susceptible than other securities to price declines when market prices decline generally.

A Fund may buy securities or other investments that are less liquid than those in its benchmark. The more illiquid investments a Fund has, the greater the likelihood of its paying redemption proceeds in-kind.

The SEC has adopted Rule 22e-4 under the 1940 Act, which requires each Fund to adopt a liquidity risk management program to assess and manage its illiquidity risk. Under its program, each Fund will be required to classify its investments into specific liquidity categories and monitor compliance with limits on illiquid investments. The term “illiquid investments” for purposes of the program means investments that GMO reasonably expects cannot be sold or disposed of in current market conditions in seven calendar days or less without the sale or disposition significantly changing the market value of the investments. The Funds do not expect Rule 22e-4 to have a significant effect on investment operations. While the liquidity risk management program attempts to assess and manage illiquidity risk, there is no guarantee it will be effective in reducing the illiquidity risk inherent in a Fund’s investments.

Historically, credit markets have experienced periods characterized by a significant lack of liquidity, and they may experience similar periods in the future. If a Fund is required to sell illiquid investments to satisfy collateral posting requirements or to meet redemptions, those sales could put significant downward price pressure on the market price of the securities being sold.

A Fund’s ability to use options as part of its investment program depends on the liquidity of the options market. That market may not be liquid when a Fund seeks to close out an option position, and the hours of trading for options on an exchange may not conform to the hours during which the underlying securities are traded. To the extent that the options markets close before the markets for the underlying securities, significant price and rate movements can take place in the markets for those securities that are not immediately reflected in the options markets. If a Fund receives a redemption request and is unable to close out an option it has sold, the Fund would temporarily be leveraged in relation to its assets.

• **LARGE SHAREHOLDER RISK.** To the extent a large number of shares of a Fund is held by a single shareholder (e.g., an institutional investor or another GMO Fund) or a group of shareholders with a common investment strategy (e.g., GMO asset allocation accounts), the Fund is subject to the risk that a redemption by those shareholders of all or a large portion of their Fund shares will adversely affect the Fund’s performance by forcing the Fund to sell portfolio securities, at disadvantageous prices to raise the cash needed to satisfy the redemption request. In addition, the Funds and other accounts over which GMO has investment discretion that invest in the Funds are not limited in how often they may sell Fund shares. The Asset Allocation Funds and separate accounts managed by GMO for its clients hold substantial percentages of the outstanding shares of many Funds, and asset allocation decisions by GMO may result in substantial redemptions from (or investments in) those Funds, adversely affecting the Fund’s performance to the extent that the Fund is required to sell investments when it would not have otherwise done so. Redemptions of a large number of shares also may increase transaction costs or, by necessitating a sale of portfolio securities, have adverse tax consequences for Fund shareholders. Further, from time to time a Fund may trade in anticipation of a purchase or redemption order that ultimately is not received or differs in size from the actual order, leading to temporary underexposure or overexposure to the Fund’s intended investment program. In addition, redemptions and purchases of shares by a large shareholder or group of shareholders could limit the use of any capital losses (including capital loss carryforwards) to offset realized capital gains (if any) and other losses that would otherwise reduce distributable net investment income. In addition, large shareholders may limit or prevent a Fund’s use of equalization for U.S. federal tax purposes.

To the extent a Fund invests in other GMO Funds subject to large shareholder risk, the Fund is indirectly subject to this risk.

• **LEVERAGING RISK.** The use of traditional borrowing (including to meet redemption requests) reverse repurchase agreements and other derivatives and securities lending creates leverage (i.e. a Fund’s investment exposures exceed its net asset value). Leverage increases a Fund’s losses when the value of its investments (including derivatives) declines. Because many derivatives have a leverage component (i.e. a notional value in excess of the assets needed to establish or maintain the derivative position), adverse changes in the value or level of the underlying asset, rate or index may result in a loss substantially greater than the amount invested in the derivative itself. In the case of swaps, the risk of loss generally is related to a notional principal amount, even if the parties have not made any initial investment. Some derivatives, similar to short sales, have the potential for unlimited loss, regardless of the size of

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the initial investment. Similarly, a Fund's portfolio will be leveraged and can incur losses if the value of the Fund's assets declines between the time a redemption request is received or deemed to be received by a Fund (which in some cases is the business day prior to actual receipt by the Fund of the redemption request) and the time at which the Fund liquidates assets to meet redemption requests. Such a decline in the value of a Fund's assets is more likely in the case of Funds managed from GMO's non-U.S. offices for which the time period between the determination of net asset value and corresponding liquidation of assets could be longer due to time zone differences. In the case of redemptions representing a significant portion of a Fund's portfolio, the leverage effects described above can be significant and could expose a Fund and non-redeeming shareholders to material losses.

A Fund may manage some of its derivative positions by offsetting derivative positions against one another or against other assets. To the extent offsetting positions do not behave in relation to one another as expected, a Fund may perform as if it were leveraged.

Some Funds are permitted to purchase securities on margin or to sell securities short, either of which creates leverage. To the extent the market prices of securities pledged to counterparties to secure a Fund's margin account or short sale decline, the Fund may be required to deposit additional funds with the counterparty to avoid having the pledged securities liquidated.

• **MANAGEMENT AND OPERATIONAL RISK.** Each Fund is subject to management risk because it relies on GMO to achieve its investment objective. Each Fund runs the risk that GMO's investment techniques will fail to produce desired results and cause the Fund to incur significant losses. GMO also may fail to use derivatives effectively, choosing to hedge or not to hedge positions at disadvantageous times.

For many Funds, GMO uses quantitative models as part of its investment process and in making investment decisions for those Funds. Those Funds run the risk that GMO's models will not accurately predict future market movements or characteristics. In addition, those models are based on assumptions that can limit their effectiveness, and they rely on data that is subject to limitations (e.g., inaccuracies, staleness) that could adversely affect their predictive value. The Funds also run the risk that GMO's assessment of an investment (including a security's fundamental fair (or intrinsic) value) is wrong.

The usefulness of GMO's models may be diminished by the faulty incorporation of mathematical models into computer code, by reliance on proprietary and third-party technology that includes errors, omissions, bugs, or viruses, and by the retrieval of limited or imperfect data for processing by the model. These risks are more likely to occur when GMO is making changes to its models. Any of these risks could adversely affect a Fund's performance.

There can be no assurance that key GMO personnel will continue to be employed by GMO. The loss of their services could have an adverse impact on GMO's ability to achieve the Funds' investment objectives.

The Funds also are subject to a risk of loss resulting from other services provided by GMO and other service providers, including pricing, administrative, accounting, tax, legal, custody, transfer agency, and other operational services. Operational risk includes the possibility of loss caused by inadequate procedures and controls, human error, and system failures by a service provider. For example, trading delays or errors could prevent a Fund from benefiting from investment gains or avoiding losses. In addition, a service provider may be unable to provide a net asset value for a Fund or share class on a timely basis. GMO is not contractually liable to the Funds for losses associated with operational risk absent its willful misfeasance, bad faith, gross negligence, or reckless disregard of its contractual obligations to provide services to the Funds. Other Fund service providers also have contractual limitations on their liability to the Funds for losses resulting from their errors.

The Funds and their service providers (including GMO) are susceptible to cyber-attacks and to technological malfunctions that have effects similar to those of a cyber-attack. Cyber-attacks include, among others, stealing or corrupting data maintained online or digitally, preventing legitimate users from accessing information or services on a website, releasing confidential information without authorization, and disrupting operations. Successful cyber-attacks against, or security breakdowns of, a Fund, GMO, a sub-adviser, or a custodian, transfer agent, or other service provider may adversely affect the Fund or its shareholders. For instance, cyber-attacks may interfere with the processing of shareholder transactions, affect a Fund's ability to calculate its net asset value, cause the release or misappropriation of private shareholder information or confidential Fund information, impede trading, cause reputational damage, and subject the Fund to regulatory fines, penalties or financial losses and additional compliance costs. The Funds' service providers regularly experience cyber-attacks and expect they will continue to do so. While GMO has established business continuity plans and systems designed to prevent, detect and respond to cyber-attacks, those plans and systems have inherent limitations. Similar types of cyber security risks also are present for issuers of securities in which the Funds invest, which could have material adverse

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consequences for those issuers and result in a decline in the market price of their securities. Furthermore, as a result of cyber-attacks, technological disruptions, malfunctions, or failures, an exchange or market may close or suspend trading in specific securities or the entire market, which could prevent the Funds from, among other things, buying or selling securities or accurately pricing their investments. The Funds cannot directly control cyber security plans and systems of their service providers, the Funds' counterparties, issuers of securities in which the Funds invest, or securities markets and exchanges.

• **MARKET DISRUPTION AND GEOPOLITICAL RISK.** The Funds are subject to the risk that geopolitical and other events (e.g., wars and terrorism) will disrupt securities markets and adversely affect global economies and markets, thereby reducing the value of the Funds' investments. Sudden or significant changes in the supply or prices of commodities or in other economic inputs (e.g., the marked decline in oil prices in late 2014) may have material and unexpected effects on both global securities markets and individual countries, regions, sectors, companies, or industries. Terrorism in the United States and around the world has increased geopolitical risk. The terrorist attacks on September 11, 2001 resulted in the closure of some U.S. securities markets for four days, and similar attacks are possible in the future. Securities markets may be susceptible to market manipulation or other fraudulent trading practices, which could disrupt their orderly functioning or reduce the prices of securities traded on them, including securities held by the Funds. Fraud and other deceptive practices committed by an issuer of securities held by a Fund undermine GMO's due diligence efforts and, when discovered, will likely cause a steep decline in the market price of those securities and thus negatively affect the value of the Fund's investments. In addition, when discovered, financial fraud may contribute to overall market volatility, which can negatively affect a Fund's investment program.

While the U.S. government has always honored its credit obligations, a default by the U.S. government (as has been threatened in the recent past) would be highly disruptive to the U.S. and global securities markets and could significantly reduce the value of the Funds' investments. Similarly, political events within the United States have resulted, and may in the future result, in shutdowns of government services, which could adversely affect the U.S. economy, reduce the value of many Fund investments, and impair the operation of the U.S. or other securities markets. Climate change regulation (such as decarbonization legislation or other mandatory controls to reduce emissions of greenhouse gases) could significantly affect many of the companies in which the Funds invest by, among other things, increasing those companies' operating costs and capital expenditures. Uncertainty over the sovereign debt of several European Union countries, as well as uncertainty over the continued existence of the European Union itself, has disrupted and may continue to disrupt markets in the United States and around the world. If a country changes its currency or if the European Union dissolves, the world's securities markets likely would be significantly disrupted. On January 31, 2020, the United Kingdom formally withdrew from the European Union (commonly known as "Brexit"), and an 11-month transition period commenced during which most European Union law will continue to apply in the United Kingdom while it negotiates its future relationship with the European Union. While the full impact of Brexit is unknown, Brexit has already resulted in volatility in European and global markets. Potential negative long-term effects could include, among others, greater market volatility and illiquidity, disruptions to world securities markets, currency fluctuations, deterioration in economic activity, a decrease in business confidence, and an increased likelihood of a recession in the United Kingdom. The consequences of the United Kingdom's or another country's exit from the European Union also could threaten the stability of the Euro and could negatively affect the financial markets of other countries in the European region and beyond, which may include companies or assets held or considered for prospective investment by GMO.

War, terrorism, economic uncertainty, and related geopolitical events, such as sanctions, tariffs, the imposition of exchange controls or other cross-border trade barriers, have led, and in the future may lead, to increased short-term market volatility and may have adverse long-term effects on U.S. and world economies and markets generally. For example, the U.S. has imposed economic sanctions, which consist of asset freezes, restrictions on dealings in debt and equity, and certain industry-specific restrictions. These types of sanctions have recently been applied against the Venezuelan and Russian governments, as well as against certain Russian and Venezuelan officials and institutions. These sanctions, any additional sanctions or intergovernmental actions, or even the threat of further sanctions, may result in a decline of the value and liquidity of Russian and Venezuelan securities, a weakening of the Russian and Venezuelan currencies or other adverse consequences to their respective economies. Sanctions impair the ability of the Funds to buy, sell, receive or deliver those securities and/or assets that are within the scope of the sanctions. In addition, natural and environmental disasters, such as the earthquake and tsunami in Japan in early 2011, and systemic market dislocations of the kind surrounding the insolvency of Lehman Brothers in 2008, if repeated, would be highly disruptive to economies and markets, adversely affecting individual companies and industries, securities markets, interest rates, credit ratings, inflation, investor sentiment, and other factors affecting the market price of the Funds' investments. During such market disruptions, the Funds' exposure to the risks described elsewhere in this "Investment and other risks" section will likely increase. Market disruptions, including sudden government interventions, can also prevent the Funds from implementing their investment programs and achieving their investment

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objectives. For example, a market disruption may adversely affect the orderly functioning of the securities markets and may cause the Funds' derivatives counterparties to discontinue offering derivatives on some underlying commodities, securities, reference rates, or indices or to offer them on a more limited basis. To the extent a Fund has focused its investments in the stock index of a particular region, adverse geopolitical and other events in that region could have a disproportionate impact on the Fund.

An outbreak of respiratory disease caused by a novel coronavirus designated as COVID-19 was first detected in China in December 2019 and subsequently spread internationally. The transmission of COVID-19 and efforts to contain its spread have resulted in, among other things, border closings and other significant travel restrictions and disruptions, significant disruptions to business operations, supply chains and customer activity, lower consumer demand for goods and services, event cancellations and restrictions, service cancellations, significant challenges in healthcare service preparation and delivery, and prolonged quarantines, as well as general concern and uncertainty. The impact of the COVID-19 outbreak could negatively affect the global economy, the economies of individual countries, and the financial performance of individual issuers, sectors, industries, asset classes, and markets in significant and unforeseen ways and may continue to do so in the future. Health crises caused by the outbreak of COVID-19 may also exacerbate other pre-existing political, social, economic, market and financial risks. The effects of the outbreak in developing or emerging market countries may be greater due to less established health care systems. The COVID-19 pandemic and its effects may be short term or may last for an extended period of time, and in either case could result in significant market volatility, exchange trading suspensions and closures, declines in global financial markets, higher default rates, and a substantial economic downturn or recession. The foregoing could impair the Funds' ability to maintain operational standards (such as with respect to satisfying redemption requests), disrupt the operations of the Funds' service providers, adversely affect the value and liquidity of the Funds' investments, and negatively impact the Funds' performance and your investment in a Fund.

• **MARKET RISK.** All of the Funds are subject to market risk, which is the risk that the market price of their holdings will decline. Market risks include:

Asset-Backed Securities — Investments in asset-backed securities not only are subject to all of the market risks described under "Market Risk — Fixed Income" but to other market risks as well.

Asset-backed securities are often exposed to greater risk of severe credit downgrades, illiquidity, and defaults than many other types of fixed income investments. These risks become particularly acute during periods of adverse market conditions, such as those that occurred in 2008.

As described under "Market Risk — Fixed Income," the market price of asset-backed securities, like that of other fixed income investments with complex structures, can decline for a variety of reasons, including market uncertainty about their credit quality and the reliability of their payment streams. Payment of interest on asset-backed securities and repayment of principal largely depend on the cash flow generated by the assets backing the securities, as well as the deal structure (e.g., the amount of underlying assets or other support available to produce the cash flows necessary to service interest and make principal payments), the quality of the underlying assets, the level of credit support and the credit quality of the credit-support provider, if any, and the performance of other service providers with access to the payment stream. A problem in any of these factors can lead to a reduction in the payment stream GMO expected a Fund to receive when the Fund purchased the asset-backed security. Principal repayments of asset-backed securities are at risk if obligors of the underlying obligations default and the value of the defaulted obligations exceeds whatever credit support the securities have. Asset-backed securities backed by sub-prime mortgage loans, in particular, expose a Fund to potentially greater declines in value due to defaults because sub-prime mortgage loans are typically made to less creditworthy borrowers and thus have a higher risk of default than conventional mortgage loans. Asset-backed securities also are subject to bankruptcy, insolvency and other laws affecting the rights and remedies of creditors. As of the date of this report, many asset-backed securities owned by the Funds that were once rated investment grade are now rated below investment grade. See "Credit Risk" for more information about credit risk.

When worldwide economic and liquidity conditions deteriorated in 2008, the markets for asset-backed securities became fractured, and uncertainty about the creditworthiness of those securities (and underlying assets) caused credit spreads (the difference between yields on asset-backed securities and U.S. Government securities) to widen dramatically. Concurrently, systemic risks of the type evidenced by the insolvency of Lehman Brothers and subsequent market disruptions reduced the ability of financial institutions to make markets in many asset-backed (as well as others) fixed income securities. These events reduced liquidity and contributed to substantial declines in the market prices of asset-backed (and other) fixed income securities, and they may occur again. Also,

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government actions and proposals affecting the terms of underlying home and consumer loans, changes in demand for products (e.g., automobiles) financed by those loans, and the inability of borrowers to refinance existing loans (e.g., sub-prime mortgages) have had, and may continue to have, adverse valuation and liquidity effects on asset-backed securities.

The market price of an asset-backed security depends in part on the servicing of its underlying assets and is, therefore, subject to risks associated with the negligence or defalcation of its servicer. The mishandling of documentation for underlying assets also can affect the rights of holders of those underlying assets. The insolvency of a servicer is likely to result in a decline in the market price of the securities it is servicing, as well as costs and delays. The obligations underlying asset-backed securities, in particular securities backed by pools of residential and commercial mortgages, also are subject to unscheduled prepayment, and a Fund may be unable to invest prepayments at as high a yield as was provided by the asset-backed security. When interest rates rise, the obligations underlying asset-backed securities may be repaid more slowly than anticipated, and the market price of those securities may decrease.

The existence of insurance on an asset-backed security does not guarantee that the principal and interest will be paid because the insurer could default on its obligations.

The risk of investing in asset-backed securities has increased since 2008 because performance of the various sectors in which the assets underlying asset-backed securities are concentrated (e.g., auto loans, student loans, sub-prime mortgages, and credit card receivables) has become more highly correlated. See “Focused Investment Risk” for more information about risks of investing in correlated sectors. A single financial institution may serve as a servicer for many asset-backed securities. As a result, a disruption in that institution’s business would likely have a material impact on the many asset-backed securities it services. The risks associated with asset-backed securities are particularly pronounced for Opportunistic Income Fund, which has invested a substantial portion of its assets in asset-backed securities, and for the Funds that have invested a substantial portion of their assets in Opportunistic Income Fund.

Equities — Funds that invest in equities run the risk that the market price of an equity will decline. That decline may be attributable to factors affecting the issuer, such as a failure to keep up with technological advances or reduced demand for its goods or services, or to factors affecting a particular industry, such as a decline in demand, labor or raw material shortages, or increased production costs. A decline also may result from general market conditions not specifically related to a company or industry, such as real or perceived adverse economic conditions, changes in the general outlook for corporate earnings, changes in interest or currency rates, or adverse investor sentiment generally. The market prices of equities are volatile and can decline in a rapid or unpredictable manner. If a Fund purchases an equity for what GMO believes is less than its fundamental fair (or intrinsic) value, the Fund runs the risk that the market price of the equity will not appreciate or will decline due to GMO’s incorrect assessment. The market prices of equities trading at high multiples of current earnings often are more sensitive to changes in future earnings expectations than the market prices of equities trading at lower multiples.

Fixed Income — Funds that invest in fixed income investments (including bonds, notes, bills, synthetic debt instruments, and asset-backed securities) are subject to various market risks. The market price of a fixed income investment can decline due to market-related factors, including rising interest rates and widening credit spreads, or decreased liquidity due to market uncertainty about the value of a fixed income investment (or class of fixed income investments). In addition, the market price of fixed income investments with complex structures, such as asset-backed securities and sovereign and quasi-sovereign debt instruments, can decline due to uncertainty about their credit quality and the reliability of their payment streams. Some fixed income investments also are subject to unscheduled prepayment, and a Fund may be unable to invest prepayments at as high a yield as was provided by the fixed income investment. When interest rates rise, fixed income investments also may be repaid more slowly than anticipated, causing a decrease in their market price. During periods of economic uncertainty and change, the market price of a Fund’s investments in below investment grade investments (commonly referred to as “high yield” or “junk bonds”) may be particularly volatile. Often, below investment grade investments are subject to greater sensitivity to interest rate and economic changes than higher rated investments and can be more difficult to value, exposing a Fund to the risk that the price at which it sells them will be less than the price at which they were valued when held by the Fund. See “Credit Risk” and “Illiquidity Risk” for more information about these risks.

A risk run by each Fund with significant investment in fixed income investments is that an increase in prevailing interest rates will cause the market price of those securities to decline. The risk associated with increases in interest rates (also called “interest rate risk”) is greater for Funds investing in fixed income investments with longer durations. In addition, in managing some Funds, GMO may seek to evaluate potential investments in part by considering the volatility of interest rates. The value of a Fund’s investments would likely be significantly reduced if GMO’s assessment proves incorrect.

GMO Trust Funds

Notes to Financial Statements — (Continued) February 29, 2020

The extent to which the market price of a fixed income investment changes with changes in interest rates is referred to as interest rate duration, which can be measured mathematically or empirically. A longer-maturity investment generally has longer interest rate duration because its fixed rate is locked in for a longer period of time. Floating-rate or variable-rate investments generally have shorter interest rate durations because their interest rates are not fixed but rather float up and down as interest rates change. Conversely, inverse floating-rate investments have durations that move in the opposite direction from short-term interest rates and thus tend to underperform fixed rate investments when interest rates rise but outperform them when interest rates decline. Fixed income investments paying no interest, such as zero coupon and principal-only securities, are subject to additional interest rate risk.

The market price of inflation-indexed bonds (including TIPS) typically declines during periods of rising real interest rates (i.e. nominal interest rate minus inflation) and increases during periods of declining real interest rates. In some interest rate environments, such as when real interest rates are rising faster than nominal interest rates, the market price of inflation-indexed bonds may decline more than the price of non-inflation-indexed (or nominal) fixed income bonds with similar maturities.

When interest rates on short term U.S. Treasury obligations equal or approach zero, a Fund that invests a substantial portion of its assets in U.S. Treasury obligations, such as U.S. Treasury Fund, will have a negative return unless GMO waives or reduces its management fees.

Fixed income securities denominated in foreign currencies also are subject to currency risk. See “Currency Risk.”

In response to government intervention, economic or market developments, or other factors, markets for fixed income investments may experience periods of high volatility, reduced liquidity or both. During those periods, a Fund could have unusually high shareholder redemptions, requiring it to generate cash by selling portfolio investments when it would otherwise not do so, including at unfavorable prices. Moreover, fixed income investments will be difficult to value during such periods. During the last ten years, central banks and governmental financial regulators, including the U.S. Federal Reserve, kept interest rates historically low. However, more recently, the U.S. Federal Reserve has increased interest rates. A substantial increase in interest rates could have an adverse effect on prices for fixed income investments and on the performance of the Funds. Other actions by central banks or regulators (such as intervention in foreign currency markets or currency controls) also could have a material adverse effect on the Funds.

• **NON-DIVERSIFIED FUNDS.** All of the Funds (except U.S. Treasury Fund) are not “diversified” investment companies within the meaning of the 1940 Act. This means they are allowed to invest in the securities of a relatively small number of issuers. As a result, they are likely to be subject to greater credit, market and other risks than if their investments were more diversified, and poor performance by a single investment is likely to have a greater impact on their performance.

In addition, each of the Funds (other than U.S. Treasury Fund) may invest in shares of one or more other GMO Funds that are not “diversified” investment companies within the meaning of the 1940 Act.

• **NON-U.S. INVESTMENT RISK.** Funds that invest in non-U.S. securities are subject to more risks than Funds that invest only in U.S. securities. Many non-U.S. securities markets list securities of only a small number of companies in a small number of industries. As a result, the market prices of securities traded on those markets (particularly in emerging markets) often fluctuate more than those of U.S. securities. In addition, issuers of non-U.S. securities (particularly those tied economically to emerging countries) often are not subject to as much regulation as U.S. issuers, and the reporting, accounting, custody, and auditing standards to which those issuers are subject often are not as rigorous as U.S. standards. Transactions in non-U.S. securities generally involve higher commission rates, transfer taxes, and custodial costs. In addition, some countries limit a Fund’s ability to profit from short-term trading (as defined in that country).

A Fund may be subject to non-U.S. taxation, including potentially on a retroactive basis, on (i) capital gains it realizes or dividends, interest, or other amounts it realizes or accrues in respect of non-U.S. investments; (ii) transactions in those investments; and (iii) repatriation of proceeds generated from the sale or other disposition of those investments. A Fund may seek a refund of taxes paid, but its efforts may not be successful, in which case the Fund will have incurred additional expenses for no benefit. In addition, a Fund’s pursuit of a tax refund may subject it to administrative and judicial proceedings in the country where it is seeking the refund. A Fund’s decision to seek a refund is in its sole discretion, and, particularly in light of the cost involved, it may decide not to seek a refund, even if it is entitled to one. The outcome of a Fund’s efforts to obtain a refund is inherently unpredictable. In some cases, the amount of a refund could be material to a Fund’s net asset value. Accordingly, a refund is not typically reflected in the Fund’s net asset value until it is received or until GMO is confident that it will be received. Generally, absent a determination that a refund is collectible and free from significant contingencies, a refund is not reflected in a Fund’s net asset value. See “Taxes, Non-U.S. Taxes” in the GMO Trust Statement of Additional Information for additional information.

GMO Trust Funds

Notes to Financial Statements — (Continued)

February 29, 2020

Investing in non-U.S. securities also exposes a Fund to the risk of nationalization, expropriation, or confiscatory taxation of assets of their issuers, government involvement in every country, including the U.S., or in the affairs of specific companies or industries (including wholly or partially state-owned enterprises), adverse changes in investment regulations, capital requirements or exchange controls (which may include suspension of the ability to transfer currency from a country), and adverse political and diplomatic developments, including the imposition of economic sanctions.

In some non-U.S. securities markets, custody arrangements for securities provide significantly less protection than custody arrangements in U.S. securities markets, and prevailing custody and trade settlement practices (e.g., the requirement to pay for securities prior to receipt) expose a Fund to credit and other risks it does not have in the United States. Fluctuations in currency exchange rates also affect the market prices of a Fund's non-U.S. securities (see "Currency Risk").

The Funds need a license to invest directly in securities traded in many non-U.S. securities markets. These licenses are often subject to limitations, including maximum investment amounts. Once a license is obtained, a Fund's ability to continue to invest directly is subject to the risk that the license will be terminated or suspended. If a license to invest in a particular market is terminated or suspended, to obtain exposure to that market the Fund will be required to purchase American Depositary Receipts, Global Depositary Receipts, shares of other funds that are licensed to invest directly, or derivative instruments. The receipt of a non-U.S. license by one of GMO's clients may preclude a Fund from obtaining a similar license. In addition, the activities of a GMO client could cause the suspension or revocation of a Fund's license.

Funds that invest a significant portion of their assets in securities of issuers tied economically to emerging countries (or investments related to emerging markets) are subject to greater non-U.S. investment risk than Funds investing primarily in more developed non-U.S. countries (or markets). The risks of investing in those securities include: greater fluctuations in currency exchange rates; increased risk of default (by both government and private issuers); greater social, economic, and political uncertainty and instability (including the risk of war); increased risk of nationalization, expropriation, or other confiscation of issuer assets; greater governmental involvement in the economy or in the affairs of specific companies or industries (including wholly or partially state-owned enterprises); less governmental supervision and regulation of securities markets and participants in those markets; controls on investment, capital controls and limitations on repatriation of invested capital, dividends, interest and other income and on a Fund's ability to exchange local currencies for U.S. dollars; inability to purchase and sell investments or otherwise settle security or derivative transactions (i.e. a market freeze); unavailability of currency hedging techniques; less rigorous auditing and financial reporting standards and resulting unavailability of reliable information about issuers; slower clearance and settlement; difficulties in obtaining and enforcing legal judgments; and significantly smaller market capitalizations of issuers. In addition, the economies of emerging countries may depend predominantly on only a few industries or revenues from particular commodities and often are more volatile than the economies of developed countries.

• ***SMALL COMPANY RISK.*** Companies with smaller market capitalizations tend to have limited product lines, markets, or financial resources, lack the competitive strength of larger companies, have less experienced managers and depend on fewer key employees than larger companies. In addition, their securities often are less widely held and trade less frequently and in lesser quantities, and their market prices often fluctuate more, than the securities of companies with larger market capitalizations. Market risk and illiquidity risk are particularly pronounced for the securities of these companies.

Temporary Defensive Positions. Temporary defensive positions are positions that are inconsistent with a Fund's principal investment strategies and are taken in response to adverse market, economic, political or other conditions.

The Funds (other than Emerging Country Debt Fund, High Yield Fund and U.S. Treasury Fund) may take temporary defensive positions if deemed prudent by GMO. Many of the Funds have previously taken temporary defensive positions.

To the extent a Fund takes a temporary defensive position, or otherwise holds cash, cash equivalents, or high quality debt investments on a temporary basis, the Fund may not achieve its investment objective.

4. Derivative financial instruments

Derivatives are financial contracts whose value depends on, or is derived from, the value of underlying assets, reference rates, or indices that are used to increase, decrease or adjust elements of the investment exposures of a Fund's portfolio. Derivatives may relate to securities, interest rates, currencies, currency exchange rates, inflation rates, commodities and indices, and include foreign currency contracts, swap contracts, reverse repurchase agreements, and other exchange-traded and OTC contracts.

GMO Trust Funds

Notes to Financial Statements — (Continued)

February 29, 2020

The Funds may use derivatives to gain long investment exposure to securities or other assets. In particular, the Funds may use swaps, options, or other derivatives on an index, an ETF, a single security, or a basket of securities to gain investment exposures (e.g., by selling protection under a credit default swap). The Funds also may use currency derivatives (including forward currency contracts, futures contracts, swap contracts and options) to gain exposure to a given currency.

The Funds may use derivatives in an attempt to reduce their investment exposures (which may result in a reduction below zero). For example, a Fund may use credit default swaps to take a short position with respect to the likelihood of default by an issuer or may use a bond futures contract to short the bond market of a particular country. A Fund also may use currency derivatives in an attempt to reduce (which may result in a reduction below zero) some aspect of the currency exposure in its portfolio. For these purposes, the Fund may use an instrument denominated in a different currency that GMO believes is highly correlated with the relevant currency. The Funds may use derivatives in an attempt to adjust elements of their investment exposures to various securities, sectors, markets, indices, ETFs, and currencies without actually having to sell existing investments or make new direct investments. For instance, GMO may alter the interest rate exposure of debt instruments by employing interest rate swaps. Such a strategy is designed to maintain the Fund's exposure to the credit of an issuer through the debt instrument but adjust the Fund's interest rate exposure through the swap. With these swaps, the Fund and its counterparties exchange interest rate exposure, such as fixed versus variable rates and shorter duration versus longer duration exposure. In adjusting its investment exposures, a Fund also may use currency derivatives in an attempt to adjust its currency exposure, seeking currency exposure that is different (in some cases, significantly different) from the currency exposure represented by its portfolio investments.

Each of the Funds is not limited in its use of derivatives or in the total notional value of its derivative positions. As a result of their derivative positions, a Fund may have gross investment exposures in excess of its net assets (i.e., the Fund may be leveraged) and therefore are subject to heightened risk of loss. Each Fund's (other than U.S. Treasury Fund) performance can depend substantially, if not primarily, on the performance of assets or indices underlying its derivatives even though it does not own those assets or indices.

Certain derivatives transactions that may be used by the Funds, including certain interest rate swaps and certain credit default index swaps, are required to be transacted through a central clearing organization. The Funds hold cleared derivatives transactions, if any, through clearing members, who are members of derivatives clearing houses. Certain other derivatives, including futures and certain options, are transacted on exchanges. The Funds hold exchange-traded derivatives through clearing brokers that are typically members of the exchanges. In contrast to bilateral derivatives transactions, following a period of advance notice to the Fund, clearing brokers generally can require termination of existing cleared or exchange-traded derivatives transactions at any time and increases in margin above the margin that it required at the beginning of a transaction. Clearing houses and exchanges also have broad rights to increase margin requirements for existing transactions and to terminate transactions. Any such increase or termination could interfere with the ability of a Fund to pursue its investment strategy. Also, a Fund is subject to execution risk if it enters into a derivatives transaction that is required to be cleared (or that GMO expects to be cleared), and no clearing member is willing or able to clear the transaction on the Fund's behalf. In that case, the transaction might have to be terminated, and the Fund could lose some or all of the benefit of any increase in the value of the transaction after the time of the transaction.

The use of derivatives involves risks that are in addition to, and potentially greater than, the risks associated with investing directly in securities and other more traditional assets. See "Investment and other risks" above for further information.

GMO Trust Funds

Notes to Financial Statements — (Continued) February 29, 2020

For Funds that held derivatives during the year ended February 29, 2020, the following table shows how the Fund used these derivatives (marked with an X):

| Type of Derivative and Objective for Use | Asset Allocation Bond Fund | Core Plus Bond Fund | Emerging Country Debt Fund | High Yield Fund | Opportunistic Income Fund |
|---|----------------------------|---------------------|----------------------------|-----------------|---------------------------|
| Forward currency contracts | | | | | |
| Adjust currency exchange rate risk | X | X | X | X | X |
| Adjust exposure to foreign currencies | X | X | X | X | |
| Futures contracts | | | | | |
| Adjust interest rate exposure | | X | | X | X |
| Maintain the diversity and liquidity of the portfolio | | X | | X | X |
| Options (Purchased) | | | | | |
| Adjust currency exchange rate risk | X | X | | | |
| Adjust exposure to foreign currencies | X | X | | | |
| Adjust interest rate exposure | | | | | X |
| Achieve exposure to a reference entity's credit | | | | | X |
| Provide a measure of protection against default loss | | | | | X |
| Options (Written) | | | | | |
| Achieve exposure to a reference entity's credit | | | | | X |
| Adjust currency exchange rate risk | X | X | | | |
| Adjust exposure to foreign currencies | X | X | | | |
| Adjust interest rate exposure | | | | | X |
| Provide a measure of protection against default loss | | | | | X |
| Options (Credit linked) | | | | | |
| Achieve exposure to a reference entity's credit | | | X | | |
| Swap contracts | | | | | |
| Achieve exposure to a reference entity's credit | | | X | X | X |
| Adjust exposure to certain markets | | | | | X |
| Adjust interest rate exposure | X | X | X | | X |
| Provide a measure of protection against default loss | | | X | X | X |
| Provide exposure to the Fund's benchmark | | X | | X | |
| Adjust exposure to foreign currencies | | | X | | |
| Hedge non-core equity exposure | | X | | | |

Forward currency contracts

The Funds (except U.S. Treasury Fund) may enter into forward currency contracts, including forward cross currency contracts. A forward currency contract is an agreement between two parties to buy and sell a currency at a set price on a future date (or to pay or receive the amount of the change in relative values of the two currencies). The market price of a forward currency contract fluctuates with changes in forward currency exchange rates. The value of each of the Fund's forward currency contracts is marked-to-market daily using rates supplied by a quotation service and changes in value are recorded by each Fund as unrealized gains or losses. Realized gains or losses on the contracts are equal to the difference between the value of the contract at the time it was opened and the value at the time it was settled.

GMO Trust Funds

Notes to Financial Statements — (Continued) February 29, 2020

These contracts involve market risk in excess of the unrealized gain or loss. Forward currency contracts expose a Fund to the market risk of unfavorable movements in currency values and the risk that the counterparty will be unable or unwilling to meet the terms of the contracts. Most forward currency contracts are collateralized. Forward currency contracts outstanding at the end of the year, if any, are listed in each applicable Fund's Schedule of Investments.

Futures contracts

The Funds may purchase and sell futures contracts. A futures contract is a contract that obligates the holder to buy or sell an asset at a predetermined delivery price at a specified time in the future. Some futures contracts are net (cash) settled. Upon entering into a futures contract, a Fund is required to deposit cash, U.S. government and agency obligations or other liquid assets with the futures clearing broker in accordance with the initial margin requirements of the broker or exchange. Futures contracts are generally valued at the settlement price established at the close of business each day by the board of trade or exchange on which they are traded (and if the futures are traded outside the U.S. and the market for such futures is closed prior to the close of the NYSE due to time zone differences, the values will be adjusted, to the extent practicable and available, based on inputs from an independent pricing service approved by the Trustees to reflect estimated valuation changes through the NYSE close). The value of each of the Fund's futures contracts is marked-to-market daily and an appropriate payable or receivable for the change in value ("variation margin") is recorded by each Fund. The payable or receivable is settled on the following business day. Gains or losses are recognized but not accounted for as realized until the contracts expire or are closed. Futures contracts involve, to varying degrees, risk of loss in excess of the variation margin as recorded in the Statements of Assets and Liabilities. Under some circumstances, futures exchanges may establish daily limits on the amount that the price of a futures contract can vary from the previous day's settlement price, thereby effectively preventing liquidation of unfavorable positions. Futures contracts expose the Funds to the risk that they may not be able to enter into a closing transaction due to an illiquid market. Futures contracts outstanding at the end of the year, if any, are listed in each applicable Fund's Schedule of Investments.

Options

The Funds may purchase call and put options. A call option gives the holder the right to buy an asset; a put option gives the holder the right to sell an asset. "Quanto" options are cash-settled options in which the underlying asset (often an index) is denominated in a currency other than the currency in which the option is settled. By purchasing options a Fund alters its exposure to the underlying asset by, in the case of a call option, entitling it to purchase the underlying asset at a set price from the writer of the option and, in the case of a put option, entitling it to sell the underlying asset at a set price to the writer of the option. A Fund pays a premium for a purchased option. That premium, if any, which is disclosed in the Schedule of Investments, is subsequently reflected in the marked-to-market value of the option. The potential loss associated with purchasing put and call options is limited to the premium paid. Purchased option contracts outstanding at the end of the year, if any, are listed in each applicable Fund's Schedule of Investments.

The Funds may write (i.e. sell) call and put options on futures, swaps ("swaptions"), securities or currencies they own or in which they may invest. Writing options alters a Fund's exposure to the underlying asset by, in the case of a call option, obligating that Fund to sell the underlying asset at a set price to the option-holder and, in the case of a put option, obligating that Fund to purchase the underlying asset at a set price from the option-holder. In some cases (e.g., index options), settlement will be in cash, based on a formula price. When a Fund writes a call or put option, an amount equal to the premium received is recorded as a liability and is subsequently included in the marked-to-market value of the option. As a writer of an option, a Fund has no control over whether it will be required to sell (call) or purchase (put) the underlying asset and as a result bears the risk of an unfavorable change in the price of the asset underlying the option. In the event that a Fund writes call options without an offsetting exposure (e.g., call options on an asset that the Fund does not own), it bears an unlimited risk of loss if the price of the underlying asset increases during the term of the option. OTC options expose a Fund to the risk the Fund may not be able to enter into a closing transaction because of an illiquid market. Written option contracts outstanding at the end of the year, if any, are listed in each applicable Fund's Schedule of Investments.

When an option contract is closed, the Fund records a realized gain or loss equal to the difference between the value of the contract at the time it was opened and the value at the time it was closed. Realized gains and losses on purchased options are included in realized gains and losses on investment securities. If a written call option is exercised, the premium originally received is recorded as an addition to sales proceeds. If a written put option is exercised, the premium originally received is recorded as a reduction in the cost of investments purchased. Gains and losses from the expiration or closing of written option contracts are separately disclosed in the Statements of Operations.

GMO Trust Funds

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In a credit linked option contract, one party makes payments to another party in exchange for the option to exercise a contract where the buyer has the right to receive a specified return if a credit event (e.g., default or similar event) occurs with respect to a reference entity or entities and a specified decrease in the value of the related collateral occurs. A writer of a credit linked option receives periodic payments in return for its obligation to pay an agreed-upon value to the other party if they exercise their option in the case of a credit event. If no credit event occurs, the seller has no payment obligation and will keep the premiums received.

Swap contracts

The Funds may directly or indirectly use various swap contracts, including, without limitation, swaps on securities and securities indices, total return swaps, interest rate swaps, basis swaps, currency swaps, credit default swaps, variance swaps, commodity swaps, inflation swaps, municipal swaps, dividend swaps, volatility swaps, correlation swaps and other types of available swaps. A swap contract is an agreement to exchange the return generated by one asset for the return generated by another asset. Some swap contracts are net settled. When entering into a swap contract and during the term of the transaction, a Fund and/or the swap counterparty may post or receive cash or securities as collateral.

Initial upfront payments received or made upon entering into a swap contract are included in the fair market value of the swap. The Funds do not amortize upfront payments. Net periodic payments made or received to compensate for differences between the stated terms of the swap contract and prevailing market conditions (credit spreads, currency exchange rates, interest rates, and other relevant factors) are recorded as realized gains or losses in the Statements of Operations. A liquidation payment received or made at the termination of the swap contract is recorded as realized gain or loss in the Statements of Operations. The periodic frequency of payments received may differ from periodic payment frequencies made and their frequencies could be monthly, quarterly, semiannually, annually or at maturity.

Interest rate swap contracts involve an exchange by the parties of their respective commitments to pay or rights to receive interest (e.g., an exchange of floating rate interest payments for fixed rate interest payments with respect to the notional amount of principal). Basis swaps are interest rate swaps that involve the exchange of two floating interest rate payments and may involve the exchange of two different currencies.

Inflation swaps involve the exchange of a floating rate linked to an index for a fixed rate interest payment with respect to a notional amount or principal.

Total return swap contracts involve a commitment by one party to pay interest to the other party in exchange for a payment to it from the other party based on the return of a reference asset (e.g., a security, basket of securities, or futures contract), both based on notional amounts. To the extent the return of the reference asset exceeds or falls short of the interest payments, one party is entitled to receive a payment from or obligated to make a payment to the other party.

In a credit default swap contract, one party makes payments to another party in exchange for the right to receive a specified return (or to put a security) if a credit event (e.g., default or similar event) occurs with respect to a reference entity or entities. A seller of credit default protection receives periodic payments in return for its obligation to pay the principal amount of a debt security (or other agreed-upon value) to the other party upon the occurrence of a credit event. If no credit event occurs, the seller has no payment obligations so long as there is no early termination.

For credit default swap contracts on asset-backed securities, a credit event may be triggered by various occurrences, which may include an issuer's failure to pay interest or principal on a reference security, a breach of a material representation or covenant, an agreement by the holders of an asset-backed security to a maturity extension, or a write-down on the collateral underlying the security. For credit default swap contracts on corporate or sovereign issuers, a credit event may be triggered by such occurrences as the issuer's bankruptcy, failure to pay interest or principal, repudiation/moratorium and/or restructuring.

Correlation swaps involve receiving a stream of payments based on the actual average correlation between or among the price movements of two or more underlying variables over a period of time, in exchange for making a regular stream of payments based on a fixed "strike" correlation level (or vice versa), where both payment streams are based on a notional amount. The underlying variables may include, without limitation, commodity prices, exchange rates, interest rates and stock indices.

Variance swap contracts involve an agreement by two parties to exchange cash flows based on the measured variance (or square of volatility) of a specified underlying asset. One party agrees to exchange a "fixed rate" or strike price payment for the "floating rate" or realized price variance on the underlying asset with respect to the notional amount. At inception, the strike price chosen is generally

GMO Trust Funds

Notes to Financial Statements — (Continued) February 29, 2020

fixed at a level such that the fair value of the swap is zero. As a result, no money changes hands at the initiation of the contract. At the expiration date, the amount payable by one party to the other is the difference between the realized price variance of the underlying asset and the strike price multiplied by the notional amount. A receiver of the realized price variance would be entitled to receive a payment when the realized price variance of the underlying asset is greater than the strike price and would be obligated to make a payment when that variance is less than the strike price. A payer of the realized price variance would be obligated to make a payment when the realized price variance of the underlying asset is greater than the strike price and would be entitled to receive a payment when that variance is less than the strike price. This type of agreement is essentially a forward contract on the future realized price variance of the underlying asset.

Generally, the Funds price their OTC swap contracts daily using industry standard models that may incorporate quotations from market makers or pricing vendors and record the change in value, if any, as unrealized gain or loss in the Statements of Operations. Gains or losses are realized upon the termination of the swap contracts or reset dates, as appropriate. Cleared swap contracts are valued using the quote (which may be based on a model) published by the relevant clearing house. If an updated quote for a cleared swap contract is not available by the time that a Fund calculates its net asset value on any business day, then that swap contract will generally be valued using an industry standard model, which may differ from the model used by the relevant clearing house.

The values assigned to swap contracts may differ significantly from the values realized upon termination, and the differences could be material. Entering into swap contracts involves counterparty credit, legal, and documentation risk that is generally not reflected in the value assigned to the swap contract. Such risks include the possibility that the counterparty defaults on its obligations to perform or disagrees as to the meaning of contractual terms, that a Fund has amounts on deposit in excess of amounts owed by that Fund, or that any collateral the other party posts is insufficient or not timely received by a Fund. Credit risk is particularly acute in economic environments in which financial services firms are exposed to systemic risks of the type evidenced by the insolvency of Lehman Brothers in 2008 and subsequent market disruptions. Swap contracts outstanding at the end of the year, if any, are listed in each applicable Fund's Schedule of Investments.

As provided by U.S. GAAP, the table below is based on market values or unrealized appreciation/(depreciation) rather than the notional amounts of derivatives. Changes to market values of reference asset(s) will tend to have a greater impact on the Funds (with correspondingly greater risk) the greater the notional amount. For further information on notional amounts, see the Schedule of Investments.

The following is a summary of the valuations of derivative instruments categorized by risk exposure.

The Effect of Derivative Instruments on the Statements of Assets and Liabilities as of February 29, 2020 and the Statements of Operations for the year ended February 29, 2020^:

The risks referenced in the tables below are not intended to be inclusive of all risks. Please see the "Investment and other risks" and "Portfolio valuation" sections for a further discussion of risks.

| | Credit Contracts | Equity Contracts | Foreign Currency Contracts | Interest Rate Contracts | Other Contracts | Total |
|---|---------------------|---------------------|----------------------------------|-------------------------------|--------------------|----------------|
| Asset Allocation Bond Fund | | | | | | |
| Net Realized Gain (Loss) on | | | | | | |
| Investments (purchased options) | \$ — | \$ — | \$ (84,743) | \$ (137,302) | \$ — | \$ (222,045) |
| Forward Currency Contracts | — | — | 592,313 | — | — | 592,313 |
| Written Options | — | — | 26,925 | — | — | 26,925 |
| Swap Contracts | — | — | — | 1,526,196 | — | 1,526,196 |
| Total | \$ — | \$ — | \$ 534,495 | \$ 1,388,894 | \$ — | \$ 1,923,389 |
| Change in Net Appreciation (Depreciation) on | | | | | | |
| Investments (purchased options) | \$ — | \$ — | \$ 84,743 | \$ 122,582 | \$ — | \$ 207,325 |
| Forward Currency Contracts | — | — | (738,520) | — | — | (738,520) |
| Written Options | — | — | (26,925) | — | — | (26,925) |
| Swap Contracts | — | — | — | (929,229) | — | (929,229) |
| Total | \$ — | \$ — | \$ (680,702) | \$ (806,647) | \$ — | \$ (1,487,349) |

GMO Trust Funds

Notes to Financial Statements — (Continued) February 29, 2020

| | Credit Contracts | Equity Contracts | Foreign Currency Contracts | Interest Rate Contracts | Other Contracts | Total |
|---|---------------------|---------------------|----------------------------------|-------------------------------|--------------------|----------------|
| Core Plus Bond Fund | | | | | | |
| Asset Derivatives | | | | | | |
| Investments, at value (purchased options) | \$ — | \$ — | \$ 50,858 | \$ — | \$ — | \$ 50,858 |
| Unrealized Appreciation on Forward Currency Contracts | — | — | 2,816,027 | — | — | 2,816,027 |
| Unrealized Appreciation on Futures Contracts [□] | — | — | — | 1,913,611 | — | 1,913,611 |
| Swap Contracts, at value [□] | — | — | — | 14,683,646 | — | 14,683,646 |
| Total | \$ — | \$ — | \$ 2,866,885 | \$ 16,597,257 | \$ — | \$ 19,464,142 |
| Liability Derivatives | | | | | | |
| Unrealized Depreciation on Forward Currency Contracts | \$ — | \$ — | \$(4,008,336) | \$ — | \$ — | \$ (4,008,336) |
| Swap Contracts, at value [□] | — | — | — | (9,585,530) | — | (9,585,530) |
| Total | \$ — | \$ — | \$(4,008,336) | \$(9,585,530) | \$ — | \$(13,593,866) |
| Net Realized Gain (Loss) on | | | | | | |
| Investments (purchased options) | \$ — | \$ — | \$ (202,051) | \$ (326,169) | \$ — | \$ (528,220) |
| Forward Currency Contracts | — | — | 1,120,344 | — | — | 1,120,344 |
| Futures Contracts | — | — | — | 8,088,238 | — | 8,088,238 |
| Written Options | — | — | 64,197 | — | — | 64,197 |
| Swap Contracts | — | — | — | 5,625,601 | — | 5,625,601 |
| Total | \$ — | \$ — | \$ 982,490 | \$ 13,387,670 | \$ — | \$ 14,370,160 |
| Change in Net Appreciation (Depreciation) on | | | | | | |
| Investments (purchased options) | \$ — | \$ — | \$ 197,450 | \$ 291,202 | \$ — | \$ 488,652 |
| Forward Currency Contracts | — | — | (1,970,496) | — | — | (1,970,496) |
| Futures Contracts | — | — | — | 2,142,312 | — | 2,142,312 |
| Written Options | — | — | (64,197) | — | — | (64,197) |
| Swap Contracts | — | — | — | 3,102,045 | — | 3,102,045 |
| Total | \$ — | \$ — | \$(1,837,243) | \$ 5,535,559 | \$ — | \$ 3,698,316 |
| Emerging Country Debt Fund | | | | | | |
| Asset Derivatives | | | | | | |
| Unrealized Appreciation on Forward Currency Contracts | \$ — | \$ — | \$ 2,413,885 | \$ — | \$ — | \$ 2,413,885 |
| Options, at value | 1,096,669 | — | — | — | — | 1,096,669 |
| Swap Contracts, at value [□] | 40,244,272 | — | — | 662,028 | — | 40,906,300 |
| Total | \$41,340,941 | \$ — | \$ 2,413,885 | \$ 662,028 | \$ — | \$ 44,416,854 |
| Liability Derivatives | | | | | | |
| Options, at value | \$ (60,500) | \$ — | \$ — | \$ — | \$ — | \$ (60,500) |
| Swap Contracts, at value [□] | (2,824,384) | — | — | (9,992,349) | — | (12,816,733) |
| Total | \$ (2,884,884) | \$ — | \$ — | \$(9,992,349) | \$ — | \$(12,877,233) |
| Net Realized Gain (Loss) on | | | | | | |
| Forward Currency Contracts | \$ — | \$ — | \$ 1,645,100 | \$ — | \$ — | \$ 1,645,100 |
| Options | (739,072) | — | — | — | — | (739,072) |
| Swap Contracts | 9,921,596 | — | — | (6,404,368) | — | 3,517,228 |
| Total | \$ 9,182,524 | \$ — | \$ 1,645,100 | \$(6,404,368) | \$ — | \$ 4,423,256 |
| Change in Net Appreciation (Depreciation) on | | | | | | |
| Forward Currency Contracts | \$ — | \$ — | \$ 5,246,715 | \$ — | \$ — | \$ 5,246,715 |
| Options | 2,768,387 | — | — | — | — | 2,768,387 |
| Swap Contracts | 7,235,194 | — | — | (6,442,830) | — | 792,364 |
| Total | \$10,003,581 | \$ — | \$ 5,246,715 | \$(6,442,830) | \$ — | \$ 8,807,466 |

GMO Trust Funds

Notes to Financial Statements — (Continued) February 29, 2020

| | Credit Contracts | Equity Contracts | Foreign Currency Contracts | Interest Rate Contracts | Other Contracts | Total |
|---|-----------------------|---------------------|----------------------------------|-------------------------------|--------------------|-----------------------|
| High Yield Fund | | | | | | |
| Asset Derivatives | | | | | | |
| Unrealized Appreciation on Forward Currency Contracts | \$ — | \$ — | \$ 73,968 | \$ — | \$ — | \$ 73,968 |
| Unrealized Appreciation on Futures Contracts [□] | — | — | — | 71,632 | — | 71,632 |
| Swap Contracts, at value [□] | 801,610 | — | — | 4,326 | — | 805,936 |
| Total | <u>\$ 801,610</u> | <u>\$ —</u> | <u>\$ 73,968</u> | <u>\$ 75,958</u> | <u>\$ —</u> | <u>\$ 951,536</u> |
| Liability Derivatives | | | | | | |
| Unrealized Depreciation on Forward Currency Contracts | \$ — | \$ — | \$ (693,657) | \$ — | \$ — | \$ (693,657) |
| Swap Contracts, at value [□] | — | — | — | (139,080) | — | (139,080) |
| Total | <u>\$ —</u> | <u>\$ —</u> | <u>\$ (693,657)</u> | <u>\$ (139,080)</u> | <u>\$ —</u> | <u>\$ (832,737)</u> |
| Net Realized Gain (Loss) on | | | | | | |
| Forward Currency Contracts | \$ — | — | \$ 907,215 | \$ — | \$ — | \$ 907,215 |
| Futures Contracts | — | — | — | 1,246,174 | — | 1,246,174 |
| Swap Contracts | 2,391,009 | — | — | 7,721,620 | — | 10,112,629 |
| Total | <u>\$ 2,391,009</u> | <u>\$ —</u> | <u>\$ 907,215</u> | <u>\$ 8,967,794</u> | <u>\$ —</u> | <u>\$ 12,266,018</u> |
| Change in Net Appreciation (Depreciation) on | | | | | | |
| Forward Currency Contracts | \$ — | \$ — | \$ (1,106,391) | \$ — | \$ — | \$ (1,106,391) |
| Futures Contracts | — | — | — | 144,811 | — | 144,811 |
| Swap Contracts | (208,689) | — | — | (2,395,782) | — | (2,604,471) |
| Total | <u>\$ (208,689)</u> | <u>\$ —</u> | <u>\$ (1,106,391)</u> | <u>\$ (2,250,971)</u> | <u>\$ —</u> | <u>\$ (3,566,051)</u> |
| Opportunistic Income Fund | | | | | | |
| Asset Derivatives | | | | | | |
| Investments, at value (purchased options) | \$ 1,555,412 | \$ — | \$ — | \$ — | \$ — | \$ 1,555,412 |
| Unrealized Appreciation on Forward Currency Contracts | — | — | 16,629 | — | — | 16,629 |
| Unrealized Appreciation on Futures Contracts [□] | — | — | — | 61,980 | — | 61,980 |
| Swap Contracts, at value [□] | 20,325,447 | — | — | 610,627 | — | 20,936,074 |
| Total | <u>\$ 21,880,859</u> | <u>\$ —</u> | <u>\$ 16,629</u> | <u>\$ 672,607</u> | <u>\$ —</u> | <u>\$ 22,570,095</u> |
| Liability Derivatives | | | | | | |
| Unrealized Depreciation on Forward Currency Contracts | \$ — | \$ — | \$ (47,595) | \$ — | \$ — | \$ (47,595) |
| Written Options, at value | (1,828,819) | — | — | — | — | (1,828,819) |
| Swap Contracts, at value [□] | (10,551,744) | — | — | (4,473,054) | — | (15,024,798) |
| Total | <u>\$(12,380,563)</u> | <u>\$ —</u> | <u>\$ (47,595)</u> | <u>\$(4,473,054)</u> | <u>\$ —</u> | <u>\$(16,901,212)</u> |
| Net Realized Gain (Loss) on | | | | | | |
| Investments (purchased options) | \$ (1,953,584) | \$ — | \$ — | \$ — | \$ — | \$ (1,953,584) |
| Forward Currency Contracts | — | — | (60,218) | — | — | (60,218) |
| Futures Contracts | — | — | — | 6,839,209 | — | 6,839,209 |
| Written Options | 697,822 | — | — | — | — | 697,822 |
| Swap Contracts | (2,510,724) | — | — | (3,958,624) | — | (6,469,348) |
| Total | <u>\$ (3,766,486)</u> | <u>\$ —</u> | <u>\$ (60,218)</u> | <u>\$ 2,880,585</u> | <u>\$ —</u> | <u>\$ (946,119)</u> |
| Change in Net Appreciation (Depreciation) on | | | | | | |
| Investments (purchased options) | \$ 1,870,144 | \$ — | \$ — | \$ — | \$ — | \$ 1,870,144 |
| Forward Currency Contracts | — | — | (30,432) | — | — | (30,432) |
| Futures Contracts | — | — | — | 422,225 | — | 422,225 |
| Written Options | (1,648,251) | — | — | — | — | (1,648,251) |
| Swap Contracts | 1,788,224 | — | — | (3,399,148) | — | (1,610,924) |
| Total | <u>\$ 2,010,117</u> | <u>\$ —</u> | <u>\$ (30,432)</u> | <u>\$(2,976,923)</u> | <u>\$ —</u> | <u>\$ (997,238)</u> |

GMO Trust Funds

Notes to Financial Statements — (Continued) February 29, 2020

- ^ Because the Funds recognize changes in value through the Statements of Operations, they do not qualify for hedge accounting under authoritative guidance for derivative instruments. The Funds' investments in derivatives may represent an economic hedge; however, they are considered to be non-hedge transactions for the purpose of these tables.
- The table includes cumulative unrealized appreciation/depreciation of futures and value of cleared swap contracts, if any, as reported in the Schedule of Investments. Year end variation margin on open futures and cleared swap contracts, if any, is reported within the Statements of Assets and Liabilities.

Certain Funds are party to International Swaps and Derivatives Association, Inc. Master Agreements, Global Master Repurchase Agreements or other similar types of agreements (collectively, "Master Agreements") that generally govern the terms of OTC derivative transactions, repurchase agreements and reverse repurchase agreements. The Master Agreements may include collateral posting terms and set-off provisions that apply in the event of a default and/or termination event. Upon the occurrence of such an event, including the bankruptcy or insolvency of the counterparty, the Master Agreements may permit the non-defaulting party to calculate a single net payment to close out applicable transactions. However, there is no guarantee that the terms of a Master Agreement will be enforceable; for example, when bankruptcy or insolvency laws impose restrictions on or prohibitions against the right of offset. Additionally, the set-off and netting provisions of a Master Agreement may not extend to the obligations of the counterparty's affiliates or across varying types of transactions. Because no such event has occurred, the Funds do not presently have a legally enforceable right of set-off and these amounts have not been offset in the Statements of Assets and Liabilities, but have been presented separately in the table below. Termination events may also include a decline in the net assets of a Fund below a certain level over a specified period of time and may entitle a counterparty to elect an early termination of all the transactions under the Master Agreement with that counterparty. Such an election by one or more of the counterparties could have a material adverse impact on a Fund's operations. An estimate of the aggregate net payment, if any, that may need to be paid by a Fund (or may be received by a Fund) in such an event is represented by the Net Amounts in the tables below. For more information about other uncertainties and risks, see "Investments and other risks" above.

For financial reporting purposes, in the Statements of Assets and Liabilities any cash collateral that has been pledged to cover obligations of the Funds is reported as Due from broker and any cash collateral received from the counterparty is reported as Due to broker. Any non-cash collateral pledged by the Funds is noted in the Schedules of Investments. The tables below show the potential effect of netting arrangements made available by the Master Agreements on the financial position of the Funds. For financial reporting purposes, the Funds' Statements of Assets and Liabilities generally show derivative assets and derivative liabilities (regardless of whether they are subject to netting arrangements) on a gross basis, which reflects the full risks and exposures of the Fund prior to netting. See Note 2 for information on repurchase agreements and, reverse repurchase agreements held by the Funds at February 29, 2020, if any.

The tables above present the Funds' derivative assets and liabilities by type of financial instrument. The following tables present the Funds' OTC and/or exchange-traded derivative assets and liabilities by counterparty net of amounts that may be available for offset under the Master Agreements by the terms of the agreement and net of the related collateral received or pledged by the Funds as of February 29, 2020:

Core Plus Bond Fund

| Counterparty | Gross Derivative Assets Subject to Master Agreements | Collateral Received | Derivative Assets/(Liabilities) Available for Offset | Net Amount of Derivative Assets |
|--|--|----------------------|--|---------------------------------|
| Citibank N.A. | \$ 91,167 | \$ — | \$ 91,167 | \$ — |
| Deutsche Bank AG | 48,365 | — | (19,468) | 28,897 |
| Goldman Sachs International | 4,247,358 | (3,570,000) | (462,339) | 215,019 |
| JPMorgan Chase Bank, N.A. | 431,762 | — | 431,762 | — |
| Morgan Stanley & Co. International PLC | 2,288,816 | (122,664) | (2,166,152) | —* |
| Total | <u>\$7,107,468</u> | <u>\$(3,692,664)</u> | <u>\$(2,125,030)</u> | <u>\$243,916</u> |

GMO Trust Funds

Notes to Financial Statements — (Continued)
February 29, 2020

Core Plus Bond Fund (continued)

| Counterparty | Gross Derivative Liabilities Subject to Master Agreements | Collateral Pledged | Derivative (Assets)/Liabilities Available for Offset | Net Amount of Derivative Liabilities |
|--|---|--------------------|--|--------------------------------------|
| Bank of America, N.A. | \$ 233,110 | \$ — | \$ — | \$233,110 |
| Barclays Bank PLC | 98,128 | (98,128) | — | —* |
| Citibank N.A. | 201,427 | — | (91,167) | 110,260 |
| Deutsche Bank AG | 19,468 | — | 19,468 | — |
| Goldman Sachs International | 462,339 | — | 462,339 | — |
| JPMorgan Chase Bank, N.A. | 827,712 | (395,950) | (431,762) | —* |
| Morgan Stanley & Co. International PLC | 2,166,152 | — | 2,166,152 | — |
| Total | <u>\$4,008,336</u> | <u>\$(494,078)</u> | <u>\$2,125,030</u> | <u>\$343,370</u> |

Emerging Country Debt Fund

| Counterparty | Gross Derivative Assets Subject to Master Agreements | Collateral Received | Derivative Assets/(Liabilities) Available for Offset | Net Amount of Derivative Assets |
|--|--|-----------------------|--|---------------------------------|
| Bank of America, N.A. | \$13,302,042 | \$(12,524,463) | \$ — | \$ 777,579 |
| Barclays Bank PLC | 997,608 | (740,000) | — | 257,608 |
| Citibank N.A. | 7,371,941 | (7,060,000) | — | 311,941 |
| Credit Suisse International | 642,386 | — | — | 642,386 |
| Deutsche Bank AG | 2,378,661 | — | (1,733,278) | 645,383 |
| Goldman Sachs International | 6,355,269 | (473,979) | (5,881,290) | —* |
| JPMorgan Chase Bank, N.A. | 662,028 | — | 662,028 | — |
| Morgan Stanley & Co. International PLC | 2,192,754 | (1,539,000) | — | 653,754 |
| Total | <u>\$33,902,689</u> | <u>\$(22,337,442)</u> | <u>\$(6,952,540)</u> | <u>\$3,288,651</u> |

| Counterparty | Gross Derivative Liabilities Subject to Master Agreements | Collateral Pledged | Derivative (Assets)/Liabilities Available for Offset | Net Amount of Derivative Liabilities |
|-----------------------------|---|--------------------|--|--------------------------------------|
| Deutsche Bank AG | \$ 1,733,278 | \$ — | \$ 1,733,278 | \$ — |
| Goldman Sachs International | 5,881,290 | — | 5,881,290 | — |
| JPMorgan Chase Bank, N.A. | 1,026,326 | — | (662,028) | 364,298 |
| Total | <u>\$ 8,640,894</u> | <u>\$ —</u> | <u>\$ 6,952,540</u> | <u>\$ 364,298</u> |

High Yield Fund

| Counterparty | Gross Derivative Assets Subject to Master Agreements | Collateral Received | Derivative Assets/(Liabilities) Available for Offset | Net Amount of Derivative Assets |
|---------------------------|--|---------------------|--|---------------------------------|
| Citibank N.A. | \$73,968 | \$ — | \$ — | \$73,968 |
| JPMorgan Chase Bank, N.A. | 4,326 | — | 4,326 | — |
| Total | <u>\$78,294</u> | <u>\$ —</u> | <u>\$4,326</u> | <u>\$73,968</u> |

GMO Trust Funds

Notes to Financial Statements — (Continued)
February 29, 2020

High Yield Fund (continued)

| Counterparty | Gross Derivative Liabilities Subject to Master Agreements | Collateral Pledged | Derivative (Assets)/Liabilities Available for Offset | Net Amount of Derivative Liabilities |
|--|---|--------------------|--|--------------------------------------|
| Goldman Sachs International | \$565,966 | \$ — | \$ — | \$565,966 |
| JPMorgan Chase Bank, N.A. | 156,840 | — | (4,326) | 152,514 |
| Morgan Stanley & Co. International PLC | 109,931 | — | — | 109,931 |
| Total | <u>\$832,737</u> | <u>\$ —</u> | <u>\$(4,326)</u> | <u>\$828,411</u> |

Opportunistic Income Fund

| Counterparty | Gross Derivative Assets Subject to Master Agreements | Collateral Received | Derivative Assets/(Liabilities) Available for Offset | Net Amount of Derivative Assets |
|--|--|-----------------------|--|---------------------------------|
| Bank of America, N.A. | \$ 2,186,526 | \$ (1,895,691) | \$ (290,835) | \$ —* |
| Citigroup Global Markets Inc. | 311,060 | — | (190,013) | 121,047 |
| Credit Suisse International | 107,309 | — | 107,309 | — |
| Deutsche Bank AG | 1,028,526 | (319,402) | (664,655) | 44,469 |
| Goldman Sachs International | 10,587,364 | (8,430,771) | (2,156,593) | —* |
| JPMorgan Chase Bank, N.A. | 6,089,257 | (3,608,923) | (2,480,334) | —* |
| Morgan Stanley & Co. International PLC | 14,728 | — | 14,728 | — |
| Morgan Stanley Capital Services LLC | 1,941,995 | (850,000) | (583,947) | 508,048 |
| Total | <u>\$22,266,765</u> | <u>\$(15,104,787)</u> | <u>\$(6,244,340)</u> | <u>\$673,564</u> |

| Counterparty | Gross Derivative Liabilities Subject to Master Agreements | Collateral Pledged | Derivative (Assets)/Liabilities Available for Offset | Net Amount of Derivative Liabilities |
|--|---|-----------------------|--|--------------------------------------|
| Bank of America, N.A. | \$ 290,835 | \$ — | \$ 290,835 | \$ — |
| Barclays Bank PLC | 1,093,478 | (1,093,478) | — | —* |
| Citibank N.A. | 26,831 | — | — | 26,831 |
| Citigroup Global Markets Inc. | 190,013 | — | 190,013 | — |
| Credit Suisse International | 213,459 | — | (107,309) | 106,150 |
| Deutsche Bank AG | 664,655 | — | 664,655 | — |
| Goldman Sachs International | 2,156,593 | — | 2,156,593 | — |
| JPMorgan Chase Bank, N.A. | 2,480,334 | — | 2,480,334 | — |
| Morgan Stanley & Co. International PLC | 840,118 | (673,420) | (14,728) | 151,970 |
| Morgan Stanley Capital Services LLC | 583,947 | — | 583,947 | — |
| Total | <u>\$ 8,540,263</u> | <u>\$ (1,766,898)</u> | <u>\$ 6,244,340</u> | <u>\$284,951</u> |

* The actual collateral received and/or pledged is more than the amount shown.

GMO Trust Funds

Notes to Financial Statements — (Continued) February 29, 2020

The average derivative activity of notional amounts (forward currency contracts, futures contracts and swap contracts) and principal amounts (options) outstanding, based on absolute values, at each month-end, was as follows for the year ended February 29, 2020:

| Fund Name | Forward Currency Contracts (\$) | Futures Contracts (\$) | Options (Principal) | Swap Contracts (\$) |
|----------------------------|---------------------------------|------------------------|---------------------|---------------------|
| Asset Allocation Bond Fund | 32,980,089 | — | 210,874* | 39,109,785 |
| Core Plus Bond Fund | 482,256,423 | 128,462,342 | 887,760 | 652,609,001 |
| Emerging Country Debt Fund | 139,428,688 | — | 275,543,000 | 1,140,475,382 |
| High Yield Fund | 42,054,688 | 30,108,098 | — | 119,644,964 |
| Opportunistic Income Fund | 4,224,544 | 107,211,901 | 652,271,929 | 670,871,880 |

* During the year ended February 29, 2020, the Fund did not hold this investment type at any month-end; therefore, the average amount outstanding was calculated using daily outstanding absolute values.

5. Fees and other transactions with affiliates

GMO receives a management fee for the services it provides to each Fund. Management fees are paid monthly at the annual rate equal to the percentage of each Fund's average daily net assets set forth in the table below:

| | Asset Allocation Bond Fund | Core Plus Bond Fund | Emerging Country Debt Fund | High Yield Fund | Opportunistic Income Fund | U.S. Treasury Fund |
|----------------|----------------------------|---------------------|----------------------------|-----------------|---------------------------|----------------------|
| Management Fee | 0.25% | 0.25% | 0.35% | 0.35% | 0.40% ^(a) | 0.08% ^(b) |

(a) Prior to January 1, 2017, the management fee was 0.25%.

(b) Prior to June 30, 2019, GMO voluntarily waived the Fund's entire management fee.

In addition, each class of shares of certain Funds pays GMO directly or indirectly a shareholder service fee for providing client services and reporting, such as performance information, client account information, personal and electronic access to Fund information, access to analysis and explanations of Fund reports, and assistance in maintaining and correcting client-related information. Shareholder service fees are paid monthly at the annual rate equal to the percentage of each applicable Class's average daily net assets set forth in the table below:

| Fund Name | Class III | Class IV | Class V | Class VI | Class R6 | Class I |
|----------------------------|-----------|----------|---------|----------|----------|---------|
| Asset Allocation Bond Fund | 0.15% | | | 0.055% | | |
| Core Plus Bond Fund | 0.15% | 0.10% | | | 0.15%* | 0.15%* |
| Emerging Country Debt Fund | 0.15% | 0.10% | | | | |
| High Yield Fund | 0.15%* | 0.10%* | 0.085%* | 0.055% | 0.15%* | 0.15%* |
| Opportunistic Income Fund | 0.15%* | | | 0.055% | 0.15%* | 0.15% |

* Class is offered but has no shareholders as of February 29, 2020.

For each Fund, other than Emerging Country Debt Fund and High Yield Fund, GMO has contractually agreed to reimburse each Fund for its "Specified Operating Expenses" (as defined below). Any such reimbursements are paid to a Fund concurrently with the Fund's payment of management fees to GMO. GMO has contractually agreed to reimburse High Yield Fund for the portion of its "Specified Operating Expenses" that exceeds 0.10% of the Fund's average daily net assets ("Expense Threshold Amount").

"Specified Operating Expenses" means: audit expenses, fund accounting expenses, pricing service expenses, expenses of non-investment related tax services, transfer agency expenses (excluding, in the case of Class I shares, any amounts paid to financial intermediaries for sub-transfer agency, recordkeeping and other administrative services provided in respect of Class I shareholders),

GMO Trust Funds

Notes to Financial Statements — (Continued) February 29, 2020

expenses of non-investment related legal services provided to the Funds by or at the direction of GMO, organizational and start-up expenses, federal securities law filing expenses, printing expenses, state and federal registration fees and custody expenses.

For High Yield Fund, GMO is permitted to recover from the Fund, on a class-by-class basis, as applicable, the “Specified Operating Expenses” GMO has borne or reimbursed (whether through reduction of its fees or otherwise) to the extent that the Fund’s “Specified Operating Expenses” later fall below the Expense Threshold Amount or the lower expense limit in effect when GMO seeks to recover the expenses. The Fund, however, is not obligated to pay any such amount more than three years after GMO bore or reimbursed an expense. The amount GMO is entitled to recover may not cause a Fund to exceed the Expense Threshold Amount or the lower expense limit in effect when GMO seeks recovery.

For the year ended February 29, 2020, GMO recouped the following previously recorded waivers and/or reimbursements.

| | Recoupment Amount (\$) |
|---------------------------|------------------------|
| High Yield Fund, Class VI | 73,030 |

On February 29, 2020, the waivers and/or reimbursements subject to possible future recoupment are as follows:

| | Expiring the year ending February 28, 2021 | Expiring the year ending February 28, 2022 | Expiring the year ending February 28, 2023 |
|---------------------------|--|--|--|
| High Yield Fund, Class VI | \$ — | \$92,527 | \$ — |

For each Fund that pays GMO a management fee, GMO has contractually agreed to waive or reduce that fee, but not below zero, to the extent necessary to offset the management fees paid to GMO that are directly or indirectly borne by the Fund as a result of the Fund’s direct or indirect investments in other GMO Funds.

For each Fund that charges a shareholder service fee, GMO has contractually agreed to waive or reduce the shareholder service fee charged to holders of each class of shares of the Fund, but not below zero, to the extent necessary to offset the shareholder service fees directly or indirectly borne by the class of shares of the Fund as a result of the Fund’s direct or indirect investments in other GMO Funds.

These contractual waivers and reimbursements will continue through at least June 30, 2020 for each Fund unless the Funds’ Board of Trustees authorizes their modification or termination or reduces the fee rates paid to GMO under the Fund’s management contract or servicing and supplemental support agreement.

GMO has contractually agreed to reimburse Class I assets of each Fund (or waive its fees) to the extent that payments for sub-transfer agency, recordkeeping and other administrative services from Class I assets exceed 0.10% of such Fund’s average daily net assets attributable to Class I assets.

Sub-Transfer Agent/Recordkeeping Payments

Class III, IV, V, VI, and R6 shares are not subject to payments to third parties for sub-transfer agent/recordkeeping and other administrative services. GMO may, on a case-by-case basis, make payments to financial intermediaries that provide sub-transfer agent/recordkeeping services in respect of these classes. Any such payments are made by GMO out of its own resources and are not an additional charge to a Fund or the holders of Class III, IV, V, VI, or Class R6 shares. These payments may create a conflict of interest by influencing a financial intermediary to recommend a Fund over another investment.

Class I shares are subject to payments to third parties for sub-transfer agency, recordkeeping and other administrative services provided with respect to investors invested in Class I shares through an account maintained by a third party intermediary. These services are not primarily intended to result in the sale of Fund shares but are intended to provide ongoing services with respect to shareholders investing in Class I shares through a third-party platform or intermediary. Because payments for sub-transfer agency, recordkeeping and other administrative services are paid out of a Fund’s Class I assets on an ongoing basis, over time they will increase the cost of an investment in Class I shares.

GMO Trust Funds

Notes to Financial Statements — (Continued) February 29, 2020

The Funds' portion of the fees paid by the Trust to the Trust's independent Trustees and their legal counsel and any agents unaffiliated with GMO during the year ended February 29, 2020 is shown in the table below and is included in the Statements of Operations.

| Fund Name | Independent Trustees and their legal counsel (\$) | Agent unaffiliated with GMO (\$) |
|----------------------------|---|----------------------------------|
| Asset Allocation Bond Fund | 7,325 | 1,528 |
| Core Plus Bond Fund | 17,621 | 1,820 |
| Emerging Country Debt Fund | 120,758 | 11,506 |
| High Yield Fund | 6,361 | 588 |
| Opportunistic Income Fund | 26,862 | 2,685 |
| U.S. Treasury Fund | 12,960 | 3,085 |

Certain Funds incur fees and expenses indirectly as a shareholder in the underlying funds. For the year ended February 29, 2020, the Funds below had indirect fees and expenses greater than 0.01% of the Fund's average daily net assets.

| Fund Name | Total Indirect Expenses |
|---------------------|-------------------------|
| Core Plus Bond Fund | 0.127% |

The Funds are permitted to purchase or sell securities from or to certain other GMO funds under specified conditions outlined in procedures adopted by the Trustees. The procedures have been designed to ensure that any purchase or sale of securities by a Fund from another fund or portfolio that is or could be considered an affiliate by virtue of having a common investment adviser (or affiliated investment advisers), common Trustees and/or common officers complies with Rule 17a-7 of the 1940 Act. Further, as defined under the procedures, each transaction is effectuated at the current market price. During the year ended February 29, 2020, the Funds did not engage in these transactions.

6. Purchases and sales of securities

Cost of purchases and proceeds from sales of securities, excluding short-term investments and including GMO U.S. Treasury Fund, if applicable, for the year ended February 29, 2020 are noted in the table below:

| Fund Name | Purchases (\$) | Purchases (\$) | Sales (\$) | Sales (\$) |
|----------------------------|----------------------------|--|----------------------------|--|
| | U.S. Government Securities | Investments (Non-U.S. Government Securities) | U.S. Government Securities | Investments (Non-U.S. Government Securities) |
| Asset Allocation Bond Fund | 48,368,790 | 66,002,829 | 194,711,386 | 87,090,000 |
| Core Plus Bond Fund | 1,149,060,680 | 470,443,656 | 1,273,433,946 | 535,257,262 |
| Emerging Country Debt Fund | 392,737,884 | 1,441,282,926 | 469,713,683 | 1,165,069,852 |
| High Yield Fund | 23,311,484 | 268,053,614 | 84,551,402 | 205,690,501 |
| Opportunistic Income Fund | 110,287,152 | 318,991,536 | 102,237,307 | 520,335,139 |
| U.S. Treasury Fund | — | — | — | — |

7. Guarantees

In the normal course of business the Funds enter into contracts with third-party service providers that contain a variety of representations and warranties and that provide general indemnifications. The Funds' maximum exposure under these arrangements is unknown, as it involves possible future claims that may or may not be made against the Funds. Based on experience, GMO is of the view that the risk of loss to the Funds in connection with the Funds' indemnification obligations is remote; however, there can be no assurance that such obligations will not result in material liabilities that adversely affect the Funds.

GMO Trust Funds

Notes to Financial Statements — (Continued)
February 29, 2020

8. Principal shareholders and related parties as of February 29, 2020

| Fund Name | Number of shareholders that held more than 10% of the outstanding shares of the Fund | Percentage of outstanding shares of the Fund held by those shareholders owning greater than 10% of the outstanding shares of the Fund | Percentage of the shares of the Fund held by senior management of GMO and GMO Trust officers | Percentage of the Fund's shares held by accounts for which GMO has investment discretion |
|----------------------------|--|---|--|--|
| Asset Allocation Bond Fund | 3‡ | 82.34% | <0.01% | 99.98% |
| Core Plus Bond Fund | 4# | 80.46% | 0.01% | 96.85% |
| Emerging Country Debt Fund | — | — | 0.14% | 15.83% |
| High Yield Fund | 2‡ | 99.99% | — | 99.99% |
| Opportunistic Income Fund | 3§ | 85.94% | 0.86% | 95.94% |
| U.S. Treasury Fund | 2‡ | 46.00% | 1.67% | 98.05% |

‡ One of the shareholders is another fund of the Trust.

Two of the shareholders are other funds of the Trust.

§ Three of the shareholders are other funds of the Trust.

9. Share transactions

The Declaration of Trust permits each Fund to issue an unlimited number of shares of beneficial interest (without par value). Transactions in the Funds' shares were as follows:

| | Year Ended February 29, 2020 | | Year Ended February 28, 2019 | |
|--|---------------------------------|-------------------------|---------------------------------|------------------------|
| | Shares | Amount | Shares | Amount |
| Asset Allocation Bond Fund | | | | |
| Class III: | | | | |
| Shares sold | 110,325 | \$ 2,474,600 | 323,246 | \$ 7,094,871 |
| Shares issued to shareholders in reinvestment of distributions | 126,900 | 2,798,964 | 217,076 | 4,658,802 |
| Shares repurchased | (2,253,855) | (50,054,998) | (6,141,016) | (136,252,051) |
| Net increase (decrease) | <u>(2,016,630)</u> | <u>\$ (44,781,434)</u> | <u>(5,600,694)</u> | <u>\$(124,498,378)</u> |
| Class VI: | | | | |
| Shares sold | 202,925 | \$ 4,483,781 | 559,591 | \$ 12,172,474 |
| Shares issued to shareholders in reinvestment of distributions | 414,203 | 9,160,744 | 766,638 | 16,505,943 |
| Shares repurchased | (6,261,332) | (140,077,926) | (33,498,610) | (740,235,562) |
| Net increase (decrease) | <u>(5,644,204)</u> | <u>\$ (126,433,401)</u> | <u>(32,172,381)</u> | <u>\$(711,557,145)</u> |
| Core Plus Bond Fund | | | | |
| Class III: | | | | |
| Shares sold | 171,785 | \$ 3,857,759 | 2,392,287 | \$ 50,128,789 |
| Shares issued to shareholders in reinvestment of distributions | 197,461 | 4,223,692 | 100,928 | 2,073,392 |
| Shares repurchased | (765,786) | (17,018,076) | (118,350) | (2,499,196) |
| Net increase (decrease) | <u>(396,540)</u> | <u>\$ (8,936,625)</u> | <u>2,374,865</u> | <u>\$ 49,702,985</u> |
| Class IV: | | | | |
| Shares sold | 360,886 | \$ 7,771,423 | 9,700,548 | \$ 203,400,272 |
| Shares issued to shareholders in reinvestment of distributions | 1,233,567 | 26,460,017 | 1,452,774 | 29,943,776 |
| Shares repurchased | (9,111,663) | (200,655,846) | (27,325,419) | (575,500,755) |
| Net increase (decrease) | <u>(7,517,210)</u> | <u>\$(166,424,406)</u> | <u>(16,172,097)</u> | <u>\$(342,156,707)</u> |

GMO Trust Funds

Notes to Financial Statements — (Continued) February 29, 2020

| | Year Ended February 29, 2020 | | Year Ended February 28, 2019 | |
|--|---------------------------------|-------------------------|---------------------------------|--------------------------------|
| | Shares | Amount | Shares | Amount |
| Emerging Country Debt Fund | | | | |
| Class III: | | | | |
| Shares sold | 7,880,299 | \$ 217,000,478 | 4,223,809 | \$ 113,980,360 |
| Shares issued to shareholders in reinvestment of distributions | 2,957,296 | 79,423,521 | 2,995,477 | 76,849,920 |
| Shares repurchased | (17,701,435) | (490,147,602) | (3,437,900) | (93,037,193) |
| Purchase premiums | — | 446,109 | — | 717,117 |
| Redemption fees | — | 739,018 | — | 729,206 |
| Net increase (decrease) | <u>(6,863,840)</u> | <u>\$ (192,538,476)</u> | <u>3,781,386</u> | <u>\$ 99,239,410</u> |
| Class IV: | | | | |
| Shares sold | 19,712,189 | \$ 544,492,697 | 12,706,912 | \$ 341,918,055 |
| Shares issued to shareholders in reinvestment of distributions | 5,991,783 | 160,731,422 | 7,021,515 | 179,598,243 |
| Shares repurchased | (14,371,734) | (394,762,711) | (13,508,216) | (366,101,076) |
| Purchase premiums | — | 993,428 | — | 1,575,671 |
| Redemption fees | — | 1,612,037 | — | 1,569,189 |
| Net increase (decrease) | <u>11,332,238</u> | <u>\$ 313,066,873</u> | <u>6,220,211</u> | <u>\$ 158,560,082</u> |
| High Yield Fund | | | | |
| Class VI:* | | | | |
| Shares sold | 98,276 | \$ 2,056,846 | 24,418,763 ^(a) | \$ 489,560,914 ^(a) |
| Shares issued to shareholders in reinvestment of distributions | 820,617 | 16,679,907 | 422,797 | 8,155,753 |
| Shares repurchased | (3,348,294) | (68,220,577) | (14,314,817) | (286,953,319) |
| Net increase (decrease) | <u>(2,429,401)</u> | <u>\$ (49,483,824)</u> | <u>10,526,743</u> | <u>\$ 210,763,348</u> |
| Opportunistic Income Fund | | | | |
| Class VI: | | | | |
| Shares sold | 702,105 | \$ 18,486,845 | 5,491,424 | \$ 146,241,083 |
| Shares issued to shareholders in reinvestment of distributions | 1,589,564 | 41,113,159 | 1,432,303 | 37,450,244 |
| Shares repurchased | (8,905,218) | (235,744,022) | (14,383,492) | (381,577,895) |
| Purchase premiums | — | 69,702 | — | 547,528 |
| Redemption fees | — | 251,056 | — | 1,486,572 |
| Net increase (decrease) | <u>(6,613,549)</u> | <u>\$ (175,823,260)</u> | <u>(7,459,765)</u> | <u>\$ (195,852,468)</u> |
| Class I:** | | | | |
| Shares sold | 880,843 | 22,880,307 | | |
| Shares issued to shareholders in reinvestment of distributions | 9,193 | 236,179 | | |
| Shares repurchased | (21,627) | (555,796) | | |
| Net increase (decrease) | <u>868,409</u> | <u>\$ 22,560,690</u> | | |
| U.S. Treasury Fund | | | | |
| Core Class: | | | | |
| Shares sold | 785,807,533 | \$ 3,930,131,346 | 441,036,241 ^(b) | \$ 5,077,646,036 |
| Shares issued to shareholders in reinvestment of distributions | 1,061,376 | 5,309,001 | 1,124,838 ^(b) | 19,828,549 |
| Shares repurchased | (869,725,175) | (4,350,339,593) | (408,046,941) ^{(b)(c)} | (6,786,663,728) ^(c) |
| Net increase (decrease) | <u>(82,856,266)</u> | <u>\$ (414,899,246)</u> | <u>34,114,138</u> | <u>\$ (1,689,189,143)</u> |

* The period under the heading “Year Ended February 28, 2019” represents the period from June 25, 2018 (commencement of operations) through February 28, 2019.

GMO Trust Funds

Notes to Financial Statements — (Continued) February 29, 2020

** The period under the heading “Year Ended February 29, 2020” represents the period from November 5, 2019 (commencement of operations) through February 29, 2020.

(a) 10,546,955 shares and \$210,939,097 represented a contribution of assets by its sole shareholder to launch High Yield Fund on June 25, 2018.

(b) Shares were adjusted to reflect an approximate 5:1 stock split effective December 6, 2018.

(c) 203,548,498 shares and \$1,017,970,052 were redeemed in-kind by an affiliate.

10. Investments in affiliated companies and other Funds of the Trust

An affiliated company for the purposes of this disclosure is a company in which a Fund has or had direct ownership of at least 5% of the issuer’s voting securities or an investment in other funds of GMO Trust. A summary of the Funds’ transactions involving companies that are or were affiliates during the year ended February 29, 2020 is set forth below:

| Affiliate | Value, beginning of period | Purchases | Sales Proceeds | Dividend Income | Net Realized Gain (Loss) | Net Increase/ Decrease in Unrealized Appreciation/ Depreciation | Value, end of period |
|---|----------------------------------|---------------|-------------------|--------------------|-----------------------------|---|-------------------------|
| Asset Allocation Bond Fund | | | | | | | |
| GMO U.S. Treasury Fund | \$ 29,705,779 | \$ 66,002,829 | \$ 87,090,000 | \$ 272,581 | \$ 17,929 | \$ 19,842 | \$ 8,656,379 |
| Core Plus Bond Fund | | | | | | | |
| GMO Emerging Country Debt Fund, Class IV | \$ 34,628,088 | \$ — | \$ 6,100,000 | \$2,023,855 | \$(234,151) | \$1,022,720 | \$ 29,316,657 |
| GMO Opportunistic Income Fund, Class VI | 135,749,920 | — | 27,500,000 | 6,701,931 | 886,467 | (740,935) | 108,395,452 |
| GMO U.S. Treasury Fund | 39,599,632 | 420,920,000 | 456,030,000 | 165,146 | 23,480 | 4,018 | 4,517,130 |
| Totals | \$209,977,640 | \$420,920,000 | \$489,630,000 | \$8,890,932 | \$ 675,796 | \$ 285,803 | \$142,229,239 |
| Emerging Country Debt Fund | | | | | | | |
| GMO U.S. Treasury Fund | \$ 74,190,722 | \$ — | \$ — | \$1,515,361 | \$ — | \$ 296,762 | \$ 74,487,484 |
| High Yield Fund | | | | | | | |
| GMO U.S. Treasury Fund | \$ 3,539,546 | \$147,613,475 | \$150,768,903 | \$ 66,536 | \$ 1,062 | \$ — | \$ 385,180 |
| Opportunistic Income Fund | | | | | | | |
| GMO U.S. Treasury Fund | \$ 17,465,242 | \$ 15,000,000 | \$ 22,250,000 | \$ 222,550 | \$ (2,899) | \$ 43,760 | \$ 10,256,103 |

11. Subsequent events

Effective March 1, 2020, GMO Emerging Country Debt Fund’s investment objective is “total return in excess of that of its benchmark, the J.P. Morgan EMBI Global Diversified”. GMO Emerging Country Debt Fund’s purchase premium and redemption fees were changed to 1.15% effective March 16, 2020 and to 2.00% effective March 25, 2020.

Subsequent to February 29, 2020, GMO Asset Allocation Bond Fund and GMO Core Plus Bond Fund received redemption requests in the amounts of \$72,684,333 and \$143,158,904, respectively.

Report of Independent Registered Public Accounting Firm

**To the Board of Trustees of GMO Trust and Shareholders of
GMO Asset Allocation Bond Fund, GMO Core Plus Bond Fund, GMO Emerging Country Debt Fund, GMO High Yield Fund,
GMO Opportunistic Income Fund, and GMO U.S. Treasury Fund**

Opinions on the Financial Statements

We have audited the accompanying statements of assets and liabilities, including the schedules of investments, of GMO Asset Allocation Bond Fund, GMO Core Plus Bond Fund, GMO Emerging Country Debt Fund, GMO High Yield Fund, GMO Opportunistic Income Fund, and GMO U.S. Treasury Fund (six of the funds constituting GMO Trust, hereafter collectively referred to as the “Funds”) as of February 29, 2020, the related statements of operations for the year ended February 29, 2020, the statements of changes in net assets for each of the periods indicated in the table below, the statement of cash flows for GMO Emerging Country Debt Fund for the year ended February 20, 2020, including the related notes, and the financial highlights for each of the periods indicated therein (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of each of the Funds as of February 29, 2020, the results of each of their operations for the year then ended, the changes in each of their net assets for each of the periods indicated in the table below, the cash flows of GMO Emerging Country Debt Fund for the year ended February 29, 2020 and each of the financial highlights for each of the periods indicated therein in conformity with accounting principles generally accepted in the United States of America.

| | |
|--|---|
| GMO Asset Allocation Bond Fund, GMO Core Plus Bond Fund, GMO Emerging Country Debt Fund, GMO Opportunistic Income Fund, GMO U.S. Treasury Fund | Statements of changes in net assets for each of the two years in the period ended February 29, 2020 |
| GMO High Yield Fund | Statement of changes in net assets for the year ended February 29, 2020 and for the period June 25, 2018 (commencement of operations) through February 28, 2019 |

Basis for Opinions

These financial statements are the responsibility of the Funds’ management. Our responsibility is to express an opinion on the Funds’ financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Funds in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits of these financial statements in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements.

Our procedures included confirmation of securities owned as of February 29, 2020 by correspondence with the custodian, transfer agent and brokers; when replies were not received from brokers, we performed other auditing procedures. We believe that our audits provide a reasonable basis for our opinions.

/s/ PricewaterhouseCoopers LLP
Boston, MA
April 24, 2020

We have served as the auditor of one or more investment companies in the GMO mutual funds complex since 1985.

GMO Trust Funds

Fund Expenses

February 29, 2020 (Unaudited)

Expense Examples: The following information is in relation to expenses for the six month period ended February 29, 2020.

As a shareholder of the Funds, you may incur two types of costs: (1) transaction costs, including purchase premium and redemption fees, if applicable; and (2) ongoing costs, including direct and/or indirect management fees, direct and/or indirect shareholder services fees, and other Fund expenses. This example is intended to help you understand your ongoing costs (in dollars) of investing in the Funds and to compare these costs with the ongoing costs of investing in other mutual funds.

These examples are based on an investment of \$1,000 invested at the beginning of the period and held for the entire period, September 1, 2019 through February 29, 2020.

Actual Expenses

This section of the table for each class below provides information about actual account values and actual expenses. You may use the information in this section, together with the amount you invested, to estimate the expenses that you paid over the period. Simply divide your account value by \$1,000 (for example, a \$10,000,000 account value divided by \$1,000 = 10,000), then multiply the result by the number under the heading entitled “Expenses Paid During the Period” to estimate the expenses you paid on your account during this period.

Hypothetical Example for Comparison Purposes

This section of the table for each class below provides information about hypothetical account values and hypothetical expenses based on the Funds’ actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Funds’ actual return. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use this information to compare the ongoing costs of investing in the Funds with other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of other funds.

Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transactional costs, such as purchase premium and redemption fees. Therefore, this section of the table is useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds. In addition, if these transactional costs were included, your costs would have been higher.

| | Actual | | | Hypothetical | | | Annualized Expense Ratio |
|-----------------------------------|---|--|----------------------------------|---|--|----------------------------------|--------------------------|
| | Beginning Account Value September 1, 2019 | Ending Account Value February 29, 2020 | Expenses Paid During the Period* | Beginning Account Value September 1, 2019 | Ending Account Value February 29, 2020 | Expenses Paid During the Period* | |
| Asset Allocation Bond Fund | | | | | | | |
| Class III | \$1,000.00 | \$1,023.80 | \$2.01 | \$1,000.00 | \$1,022.87 | \$2.01 | 0.40% |
| Class VI | \$1,000.00 | \$1,024.40 | \$1.56 | \$1,000.00 | \$1,023.32 | \$1.56 | 0.31% |
| Core Plus Bond Fund | | | | | | | |
| Class III | \$1,000.00 | \$1,028.30 | \$2.12 | \$1,000.00 | \$1,022.78 | \$2.11 | 0.42% |
| Class IV | \$1,000.00 | \$1,028.60 | \$1.87 | \$1,000.00 | \$1,023.02 | \$1.86 | 0.37% |
| Emerging Country Debt Fund | | | | | | | |
| Class III | \$1,000.00 | \$1,038.00 | \$2.74 | \$1,000.00 | \$1,022.18 | \$2.72 | 0.54% |
| Class IV | \$1,000.00 | \$1,038.70 | \$2.48 | \$1,000.00 | \$1,022.43 | \$2.46 | 0.49% |
| High Yield Fund | | | | | | | |
| Class VI | \$1,000.00 | \$1,013.40 | \$2.70 | \$1,000.00 | \$1,022.18 | \$2.72 | 0.54% |
| Opportunistic Income Fund | | | | | | | |
| Class VI | \$1,000.00 | \$1,023.00 | \$2.36 | \$1,000.00 | \$1,022.53 | \$2.36 | 0.47% |
| Class I ^(a) | \$1,000.00 | \$1,018.00 | \$2.11 | \$1,000.00 | \$1,021.58 | \$3.32 | 0.66% |
| U.S. Treasury Fund | | | | | | | |
| Core | \$1,000.00 | \$1,012.50 | \$0.40 | \$1,000.00 | \$1,024.47 | \$0.40 | 0.08% |

* Expenses are calculated using each class’s annualized net expense ratio (including indirect expenses incurred) for the six months ended February 29, 2020, multiplied by the average account value over the period, multiplied by 182 days in the period, divided by 366 days in the year.

^(a) For the period November 5, 2019 (commencement of operations) through February 29, 2020, expenses were calculated using the class’s annualized net expense ratio (including indirect expenses incurred) for the year ended February 29, 2020, multiplied by the average account value over the period, multiplied by 116 days in the period, divided by 366 days in the year.

GMO Trust Funds

Tax Information for the Tax Year Ended February 29, 2020 (Unaudited)

The following information is being provided in order to meet reporting requirements set forth by the Code and/or to meet state-specific requirements. Shareholders should consult their tax advisors.

With respect to distributions paid, the Funds designate the following amounts (or, if subsequently determined to be different, the maximum amount allowable) for the fiscal year-ended February 29, 2020:

| Fund Name | U.S. Government Obligation Income⁽¹⁾⁽²⁾ | Interest-Related Dividend Income (\$)⁽³⁾ | Short-Term Capital Gain Dividends (\$)⁽³⁾ | Long-Term Capital Gain Distributions (\$) |
|----------------------------|---|--|---|--|
| Asset Allocation Bond Fund | 57.02% | 7,313,120 | — | — |
| Core Plus Bond Fund | 10.94% | 10,110,351 | 13,451,848 | 1,784,113 |
| Emerging Country Debt Fund | 6.13% | 16,785,173 | — | — |
| High Yield Fund | 14.22% | 4,707,348 | — | — |
| Opportunistic Income Fund | 1.18% | 38,200,585 | — | — |
| U.S. Treasury Fund | 93.56% | 9,860,244 | — | — |

(1) Presented as a percentage of net investment income and short-term capital gain distributions paid, if any.

(2) All or a portion of these amounts may be exempt from taxation at the state level.

(3) These amounts are generally exempt from U.S. withholding taxes for non-U.S. shareholders, provided certain conditions are satisfied by both the Funds and the Funds' shareholders. If applicable, interest-related dividend amounts may include short-term capital gain distributions received from underlying funds.

In early 2021, the Funds will notify applicable shareholders of amounts for use in preparing 2020 U.S. federal income tax forms.

Trustees and Officers (Unaudited)

The following tables present information regarding each Trustee and officer of the Trust as of February 29, 2020. Each Trustee's and officer's year of birth ("YOB") is set forth after his or her name. Unless otherwise noted, (i) each Trustee and officer has engaged in the principal occupation(s) noted in the table for at least the most recent five years, although not necessarily in the same capacity, and (ii) the address of each Trustee and officer is c/o GMO Trust, 40 Rowes Wharf, Boston, MA 02110. Each Trustee serves in office until the earlier of (a) the election and qualification of a successor at the next meeting of shareholders called to elect Trustees or (b) the Trustee dies, resigns, or is removed as provided in the Trust's governing documents. Each of the Trustees of the Trust, other than Mr. Feigelson, is not an "interested person" of the Trust, as such term is used in the 1940 Act (each, an "Independent Trustee"). Because the Funds do not hold annual meetings of shareholders, each Trustee will hold office for an indeterminate period. Each officer serves in office until his or her successor is elected and determined to be qualified to carry out the duties and responsibilities of the office, or until the officer resigns or is removed from office.

Independent Trustees

| Name and Year of Birth | Position(s) Held with the Trust | Length of Time Served | Principal Occupation(s) During Past 5 Years | Number of Portfolios in Fund Complex ¹ Overseen | Other Directorships Held in the Past Five Years |
|-------------------------------|-----------------------------------|--|---|--|---|
| Donald W. Glazer YOB: 1944 | Chairman of the Board of Trustees | Chairman of the Board of Trustees since March 2005; Lead Independent Trustee (September 2004 – March 2005); Trustee since December 2000. | Consultant – Law and Business; Author of Legal Treatises. | 31 | Director, BeiGene Ltd. (biotech research). |
| Peter Tufano YOB: 1957 | Trustee | Since December 2008. | Peter Moores Dean and Professor of Finance, University of Oxford Saïd Business School (as of July 1, 2011). | 31 | Trustee of State Street Navigator Securities Lending Trust (5 Portfolios) (January 1993 – June 2015). |
| Paul Braverman YOB: 1949 | Trustee | Since March 2010. | Retired | 31 | Trustee HIMCO Variable Insurance Trust (27 Portfolios) April 2014 – April 2019). |

Interested Trustee and Officer

| | | | | | |
|---------------------------------|---------------------------------|---|--|----|-------|
| Jonathan Feigelson YOB: 1962 | Trustee; President of the Trust | Trustee and President since September 2019. | General Counsel, Grantham, Mayo, Van Otterloo & Co LLC (May 2019 – present); General Counsel and Head of Human Resources at iCapital Network, Inc. (2017 – 2019); Senior Managing Director General Counsel, head of Regulatory Affairs and Director of Corporate Governance at TIAA-CREF (2006 – 2016) | 46 | None. |
|---------------------------------|---------------------------------|---|--|----|-------|

¹ The Fund Complex includes series of each of GMO Trust and GMO Series Trust. Mr. Feigelson also serves as a Trustee of GMO Series Trust.

² Mr. Feigelson is an "interested person" of the Trust, as such term is used in the 1940 Act (an "Interested Trustee"), by virtue of his positions with the Trust and GMO indicated in the table above.

Officers

| Name and Year of Birth | Position(s) Held with the Trust | Length of Time Served | Principal Occupation(s) During Past 5 Years* |
|----------------------------------|---|--|---|
| Jonathan Feigelson YOB: 1962 | Trustee; President of the Trust | Trustee and President since September 2019. | General Counsel, Grantham, Mayo, Van Otterloo & Co. LLC (May 2019 – present); General Counsel and Head of Human Resources at iCapital Network, Inc. (2017 – 2019); Senior Managing Director, General Counsel, Head of Regulatory Affairs and Director of Corporate Governance at TIAA-CREF (2006 – 2016). |
| Sheppard N. Burnett YOB: 1968 | Chief Executive Officer | Chief Executive Officer since June 2015; Chief Financial Officer, March 2007 – June 2015; Treasurer, November 2006 – June 2015; Assistant Treasurer, September 2004 – November 2006. | Head of Fund Treasury and Tax, Grantham, Mayo, Van Otterloo & Co. LLC (December 2006 – present). |
| Betty Maganzini YOB: 1972 | Treasurer, Chief Accounting Officer and Chief Financial Officer | Treasurer, Chief Accounting Officer and Chief Financial Officer since September 2018; Assistant Treasurer, September 2013 – September 2018. | Fund Administrator, Grantham, Mayo, Van Otterloo & Co. LLC (July 2010 – present). |
| Susan Saw YOB: 1981 | Assistant Treasurer | Since September 2019. | Fund Administrator, Grantham, Mayo, Van Otterloo & Co. LLC (March 2011 – present). |
| John L. Nasrah YOB: 1977 | Assistant Treasurer and Chief Tax Officer | Since March 2007. | Fund Administrator, Grantham, Mayo, Van Otterloo & Co. LLC (September 2004 – present). |
| Cathy Tao YOB: 1974 | Assistant Treasurer | Since September 2016. | Fund Administrator, Grantham, Mayo, Van Otterloo & Co. LLC (October 2007 – present) |
| Brian Kadehjian YOB: 1974 | Assistant Treasurer and Treasury Officer | Assistant Treasurer since February 2015; Treasury Officer since September 2013. | Fund Administrator, Grantham, Mayo, Van Otterloo & Co. LLC (April 2002 – present). |
| Douglas Y. Charton YOB: 1982 | Chief Legal Officer, Vice President and Clerk | Since August 2015. | Legal Counsel, Grantham, Mayo, Van Otterloo & Co. LLC (July 2015 – present); Associate, K&L Gates LLP (September 2007 – July 2015). |
| Megan Bunting YOB: 1978 | Vice President and Assistant Clerk | Since September 2013. | Legal Counsel, Grantham, Mayo, Van Otterloo & Co. LLC (September 2006 – present). |
| Kevin O'Brien YOB: 1985 | Vice President and Assistant Clerk | Since March 2016. | Legal Counsel, Grantham, Mayo, Van Otterloo & Co. LLC (February 2015 – present). |
| Gregory L. Pottle YOB: 1971 | Chief Compliance Officer | Chief Compliance Officer since May 2015; Vice President and Assistant Clerk, November 2006 – November 2015. | Chief Compliance Officer, Grantham, Mayo, Van Otterloo & Co. LLC (May 2015 – present). |
| Kelly Butler YOB: 1974 | Anti-Money Laundering Officer | Since March 2020. | Compliance Manager (March 2016 – present); Compliance Specialist, Grantham, Mayo, Van Otterloo & Co. LLC (November 2007 – March 2016). |

* Each officer of the Trust may also serve as an officer and/or director of certain pooled investment vehicles of which GMO or an affiliate of GMO serves as the investment adviser. With the exception of Mr. Feigelson and Ms. Saw, each officer listed in the table above also serves as an officer of GMO Series Trust.