

FUND OVERVIEW

The GMO Climate Change Fund seeks to deliver high total return by investing in companies focused on climate change mitigation and adaptation.

FUND FACTS

Fund Identifier (Class III):

Ticker: GCCHX
Cusip: 362014 61 5

Inception: 4/5/17

Benchmark: MSCI All Country World Index

Assets: \$99 Million

Portfolio Management:

Tom Hancock
Lucas White

Risks:

Risks associated with investing in the Fund may include Focused Investment Risk, Market Risk – Equities, Management and Operational Risk, Non-U.S. Investment Risk, and Market Disruption and Geopolitical Risk. For a more complete discussion of these risks and others, please consult the Fund's prospectus.

About GMO:

Founded in 1977, GMO is an independently-owned, global institutional investment manager dedicated to providing our clients with superior investment advice and performance.

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INVESTMENT THESIS – THE CASE FOR CLIMATE CHANGE EQUITIES

Climate change has moved faster than most thought possible and is having a dramatic impact on the world. Temperatures and sea levels are rising, glaciers are melting, and extreme weather events are increasing in both severity and frequency. Massive amounts of investment are needed in order to head off climate change, and we believe there will be exciting investment opportunities in companies focused on climate change mitigation and adaptation. As costs continue to fall for wind, solar, and energy storage, we are reaching an inflection point where renewable energy is becoming increasingly competitive with conventional energy, even in the absence of subsidies and incentives. Economics will drive the transition to a clean energy world, and the climate change sector is likely to experience strong secular growth.

INVESTMENT APPROACH

Defining a Universe Targeted for Impact

Our universe is predominantly comprised of companies focused on the mitigation of climate change, though companies focused on adaptation to climate change are also considered. Climate change mitigation and adaptation industries include clean energy, batteries and storage, electric grid, energy efficiency, agriculture, water, and companies that service these industries.

Strategic Allocation

We use a set of long-term targets to steer the portfolio's allocation to segments of the climate change sector. In setting targets, we attempt to balance the importance of each market segment in moving toward a clean energy world with considerations of each segment's investability. Industries for which targets are set include solar, wind, energy storage, and energy efficiency.

Stock Selection

Stock selection is driven primarily by valuation-based modeling and balances the desire to provide diversified exposure to various climate change segments with the attractiveness of the different segments within the universe. We do not control risk relative to any benchmark, though we continuously monitor risk exposures.

DIFFERENTIATION OF OUR APPROACH

We believe our approach to be differentiated across a number of dimensions:

Targeted Universe Definition: We focus on identifying companies that we believe will benefit in a world increasingly impacted by climate change, either through mitigation or adaptation solutions.

Value Focus: Our value orientation and proprietary valuation models are unique in this space.

Global Scope and Lack of Size Bias: We invest globally across the capitalization spectrum, allowing us to identify attractive investment opportunities wherever they may be.

GMO Investment Platform: GMO has a broad team of talented, experienced investment professionals, including Jeremy Grantham, who contribute insight, ideas, and perspectives.

Long-Term Perspective: As an independently-owned private partnership, GMO has the willingness and ability to take short-term risk in the pursuit of long-term returns; we believe this is particularly important when investing in the climate change sector.

FUND PROFILE

Exposures by Climate Change Segment

Segment	Exposure
Clean Energy	39.8%
Solar	9.7%
Wind	6.4%
Other Clean Energy	2.1%
Clean Power Generation	8.1%
Batteries & Storage	13.6%
Smart Grid	7.1%
Copper	10.2%
Energy Efficiency	16.2%
Transportation	8.7%
Buildings	1.5%
Diversified Efficiency	5.3%
Technology	0.5%
Recycling	0.2%
Agriculture	19.2%
Farming	6.4%
Farm Machinery	1.3%
Timber	1.7%
Fertilizer	4.9%
Fish Farming	4.8%
Water	5.8%
Cash	1.7%

Risk Profile Since 4/5/17¹

	Fund	Benchmark
Alpha	-0.48	0.00
Beta	0.82	1.00
R ²	0.59	1.00
Sharpe Ratio	0.00	0.05
Std. Deviation	11.65	10.95

Characteristics

	Fund	Benchmark
Price/Earnings - Hist 1 Yr Wtd Median	13.9 x	17.4 x
Price/Book - Hist 1 Yr Wtd Avg	1.5 x	2.1 x
Return on Equity - Hist 1 Yr Med	11.4 %	16.7 %
Market Cap - Weighted Median \$Bil	\$4.7	\$45.3
Number of Equity Holdings	131	2,549

Top Holdings¹

Company	Country	Segment	% of Equity
SolarEdge Technologies, Inc.	United States	Solar	5.4
Freeport-McMoRan Inc	United States	Copper	4.9
Sociedad Quimica y Minera	Chile	Batteries/Storage	4.1
Vestas Wind Systems A/S	Denmark	Wind	4.0
First Solar Inc.	United States	Solar	3.9
Total			22.3

¹ Alpha is a measure of risk-adjusted return; Beta is a measure of a portfolio's sensitivity to the market; R² is a measure of how well a portfolio tracks the market; Sharpe Ratio is the return over the risk free rate per unit of risk; Std. Deviation is a measure of the volatility of a portfolio. Risk profile data is net.

² Portfolio holdings are percent of equity. They are subject to change and should not be considered a recommendation to buy individual securities.

PERFORMANCE NET OF FEES (CLASS III)

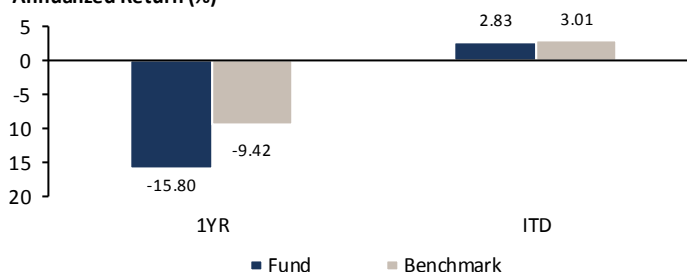
Total Return (%)¹

	Fund	Benchmark
4Q2018	-11.23	-12.75
YTD 2018	-15.80	-9.42

Annual Total Return (%)¹

2017	24.68	16.23
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Annualized Return (%)²



An investor should consider the fund's investment objectives, risks, charges and expenses before investing. This and other important information can be found in the fund's prospectus. To obtain a prospectus please visit www.gmo.com. Read the prospectus carefully before investing.

Performance data quoted represents past performance and is not indicative of future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance data may be lower or higher than the performance data provided herein. To obtain performance information to the most recent month end, visit www.gmo.com.

Fees (Class III): Gross Expense Ratio 1.51% equal to the Fund's Total Annual Operating Expense set forth in the Fund's most recent prospectus dated June 30, 2018.

Net Expense Ratio 0.77% reflects the reduction of expenses from fee reimbursements. The fee reimbursements will continue until at least June 30, 2019. Elimination of this reimbursement will result in higher fees and lower performance.

¹ Does not include the impact of purchase premiums and redemption fees.

² Includes the impact of purchase premiums and redemption fees.

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