

## FUND OVERVIEW

Launched in 1997, the GMO Core Plus Bond Fund seeks total return in excess of that of its benchmark, the Bloomberg Barclays U.S. Aggregate Bond Index, a benchmark that reflects the universe of USD-denominated, fixed-rate, investment-grade bonds, including government, corporate, agency, asset-backed, and commercial mortgage-backed securities. GMO's Developed Rates & FX team aims to add value versus the benchmark by using its global interest rate and currency processes as well as through small exposure to the debt of emerging countries.

## FUND FACTS

### Fund Identifier (Class III):

Ticker: GUGAX  
Cusip: 362008 60 9

**Inception:** 4/30/97

**Benchmark:** Bloomberg Barclays U.S. Aggregate Bond Index

**Assets:** \$675 Million

### Portfolio Management:

Jason Hotra  
Greg Jones

### Risks:

Risks associated with investing in the Fund may include Market Risk – Fixed Income Investments, Market Risk – Asset-Backed Securities, Credit Risk, Illiquidity Risk, and Derivatives and Short Sales 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.

### Contact Us:

40 Rowes Wharf  
Boston, Massachusetts 20110  
(617) 330-7500 | [www.gmo.com](http://www.gmo.com)

## METHODOLOGY

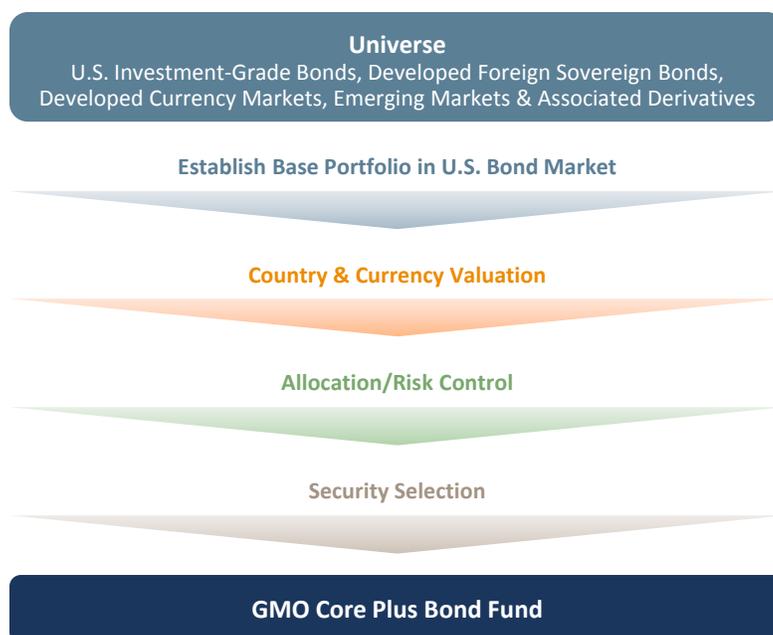
The Developed Rates & FX team employs a core/plus approach, combining active management of global interest rates and currencies and emerging debt ("plus") with underlying exposure to a U.S. fixed income portfolio ("core"). Global interest rate and currency exposures are actively managed with consideration given to both fundamental factors (e.g., inflation and current account positions) and price-based factors (e.g., interest rates and exchange rates) as well as the relative attractiveness of yield curve and duration positions in the segments of the markets in which it invests. The team's interest rate market processes incorporate measures of relative fundamental value across markets as well as a market timing component that identifies opportunities in bonds relative to cash. The currency-related processes incorporate measures of carry, momentum, and value.

## PORTFOLIO CONSTRUCTION

The Fund replicates its exposure to "core" markets using a wide variety of exchange-traded and over-the-counter derivative instruments, including total return swaps. Exposure to global interest rate and currency markets is largely made in the same fashion, in addition to direct investments in U.S. or international fixed income securities. Exposure to emerging country debt is achieved by investment in the GMO Emerging Country Debt Fund. For cash management purposes, the Fund typically uses the GMO U.S. Treasury Fund or unaffiliated money market funds.

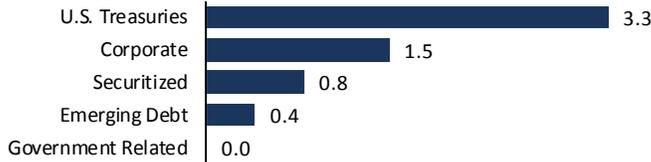
Under normal market conditions, the Fund generally keeps its interest rate duration within two years of the benchmark's duration.

## INVESTMENT PROCESS

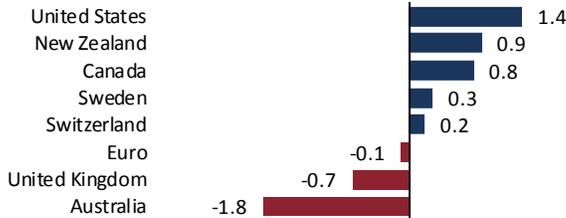


## FUND PROFILE

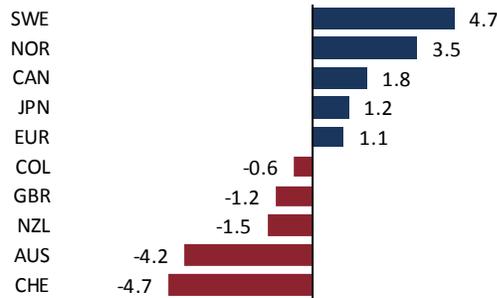
### Contribution to Duration



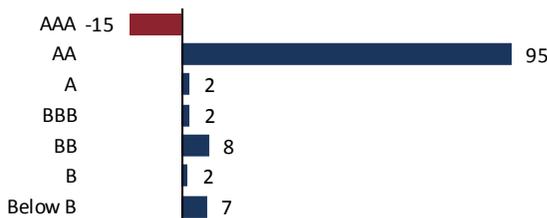
### Global Rates Contribution to Active Duration



### Top/Bottom 5 Portfolio Overlay Currency Positions (%)<sup>1</sup>



### Portfolio Rating Breakdown (%)<sup>2</sup>



### 5-Year Risk Profile<sup>3</sup>

	Fund	Benchmark
Alpha	0.38	0.00
Beta	1.01	1.00
R <sup>2</sup>	0.72	1.00
Sharpe Ratio	0.72	0.71
Std. Deviation	3.38	2.83

### Characteristics

	Fund
Modified Duration	6.8
Maturity	8.6 Yrs.
Exposure to Emerging Country Debt	5.2 %

<sup>1</sup> All currency positions are versus USD

<sup>2</sup> The credit ratings above may encompass emerging debt, developed rates, and asset-backed exposure. Ratings for the emerging debt and developed rates portions of the portfolio are derived by taking the Standard and Poor's country ratings and applying these ratings to the country exposures of the portfolio. For the asset-backed portion of the portfolio, credit ratings are derived by using the lowest rating among rating agencies at the issue level. Final credit ratings are expressed based upon Standard and Poor's ratings scale. Standard & Poor's rates securities from AAA (highest quality) to C (lowest quality), and D to indicate securities in default; some securities are not rated (NR). BB and below are considered below investment grade securities.

<sup>3</sup> Alpha is a measure of risk-adjusted return; Beta is a measure of a portfolio's sensitivity to the market; R<sup>2</sup> 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.

## PERFORMANCE NET OF FEES (CLASS III)

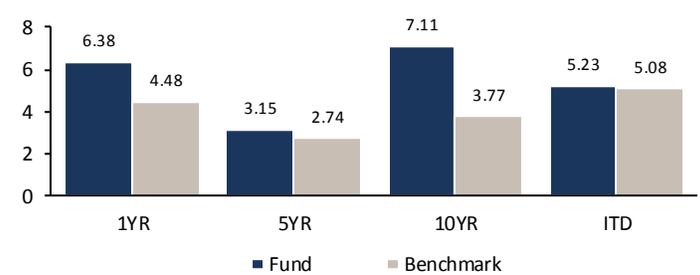
### Total Return (%)

	Fund	Benchmark
1Q 2019	3.34	2.94
YTD 2019	3.34	2.94

### Annual Total Return (%)

Year	Fund	Benchmark
2018	2.11	0.01
2017	4.45	3.54
2016	1.37	2.65
2015	-1.55	0.55
2014	9.54	5.97
2013	0.49	-2.03
2012	9.98	4.22
2011	8.76	7.84
2010	13.27	6.54
2009	21.70	5.93

### Annualized Return (%)



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](http://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](http://www.gmo.com).

Fees (Class III): Gross Expense Ratio 0.59% 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 0.45% 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.

The Bloomberg Barclays U.S. Aggregate Bond Index is an independently maintained and widely published index comprised of U.S. fixed rate debt issues having a maturity of at least one year and rated investment grade or higher.

The GMO Trust funds are distributed in the United States by Funds Distributor LLC. GMO and Funds Distributor LLC are not affiliated.