

FUND OVERVIEW

The GMO Quality Fund seeks to deliver total return by investing in equities that the GMO Focused Equity team believes to be of high quality.

FUND FACTS

Fund Identifier (Class III):

Ticker: GQETX
Symbol: Quality
Cusip: 362008 26 0

Inception: 2/6/04

Assets: \$6.0 Billion

Portfolio Management:

Tom Hancock
Anthony Hene

Risks:

Risks associated with investing in the Fund may include Market Risk – Equities, Management and Operational Risk, Focused Investment Risk, Non-U.S. Investment Risk, and Currency 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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METHODOLOGY

A high quality company is generally one that GMO believes has an established business that will deliver a high level of return on past investments and that will utilize cash flows in the future by making investments with potential for high levels of return on capital or by returning cash to shareholders through dividends, share buybacks, or other mechanisms.

In selecting securities for the Fund, GMO's Focused Equity team uses a combination of investment methods and may consider both quantitative and fundamental factors. Quantitative factors are generally based on profitability, profit stability, leverage, and other publically available financial information. Fundamental factors are generally based on an assessment of future profitability, capital allocation, sustainability against competitive forces, and growth opportunities.

The team utilizes valuation methodologies such as discounted cash flow analysis, forecasted financial information, and patterns of information like price movement or volatility of a security or groups of securities.

PORTFOLIO CONSTRUCTION

The Fund is permitted to invest directly and indirectly (e.g., through underlying funds or derivatives) in equities of companies tied economically to any country in the world, including emerging countries. At times, the Fund may have substantial exposure to a single asset class, industry, sector, country, region, or currency. The Fund may invest in securities of companies of any market capitalization. GMO does not manage the Fund to, or control the Fund's risk relative to, any securities index or securities benchmark.

PHILOSOPHY

Profitability Is Key



Due to their higher return on equity, quality companies should trade at a premium to the market

Price Also Matters



Using top-down and bottom-up analysis, we find the best valuations within the quality universe

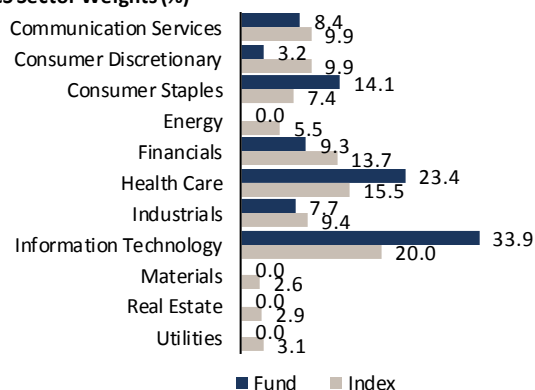
Stay the Course



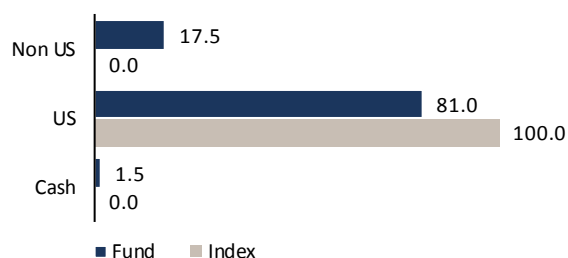
Maintain the long-term focus and don't focus on benchmark risk

FUND PROFILE

GICS Sector Weights (%)



Region Weights (%)



5-Year Risk Profile¹

	Fund	Index
Alpha	2.38	0.00
Beta	0.91	1.00
R ²	0.88	1.00
Sharpe Ratio	0.91	0.73
Std. Deviation	10.54	10.85

Characteristics

	Fund	Index
Price/Earnings - Forecast 1 Yr Wtd Median	16.9 x	16.3 x
Price/Book - Hist 1 Yr Wtd Avg	4.2 x	3.0 x
Return on Equity - Forecast 1 Yr Wtd Median	29.4 %	21.8 %
Market Cap - Weighted Median \$Bil	\$164.0	\$99.1
Net Debt/EBITDA - Wtd Median	0.5 x	0.9 x

Top Holdings²

Company	Sector	% of Equity
Alphabet Inc.	Communication Services	7.4
Apple Inc.	Information Technology	6.0
Microsoft Corp.	Information Technology	5.6
Oracle Corp.	Information Technology	5.0
3M Co.	Industrials	3.8
Total		27.8

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)

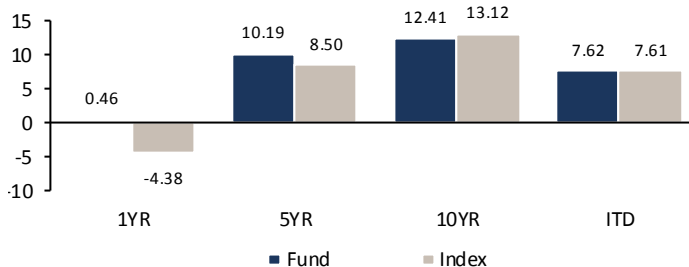
Total Return (%)

	Fund	Index
4Q 2018	-11.92	-13.52
YTD 2018	0.46	-4.38

Annual Total Return (%)

2017	29.06	21.83
2016	9.72	11.96
2015	1.50	1.38
2014	12.50	13.69
2013	25.36	32.39
2012	12.00	16.00
2011	11.75	2.11
2010	5.47	15.06
2009	19.85	26.46
2008	-24.12	-37.00

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. 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 0.50% 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 0.48% 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 S&P 500 Index is an independently maintained and widely published index comprised of U.S. large capitalization stocks. S&P does not guarantee the accuracy, adequacy, completeness or availability of any data or information and is not responsible for any errors or omissions from the use of such data or information. Reproduction of the data or information in any form is prohibited except with the prior written permission of S&P or its third party licensors.

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