

QUARTERLY INVESTMENT REVIEW

High Yield Fund

Performance returns (USD)

ANNUALIZED RETURNS (QUARTER-END)	Quarter-End	YTD	1-Year	3-Year	5-Year	10-Year	Since Inception
High Yield Fund (net)	1.54	9.39	9.39	10.07	5.19	-	5.93
High Yield Fund (gross)	1.64	9.85	9.85	10.56	5.68	-	6.44
Markit iBoxx USD Liquid High Yield	1.48	8.83	8.83	9.87	4.34	-	5.07
Value Add	+0.06	+0.56	+0.56	+0.20	+0.84	-	+0.86

Net of all fees and expenses after reimbursement by the Manager, but not transaction costs, if any. If certain expenses were not reimbursed, performance would be lower. Gross of fees, expenses and transaction costs, if any. If these fees, expenses and costs were included, performance would be lower. Performance data quoted represents past performance and is not indicative of future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance data may be lower or higher than the performance data provided herein. To obtain performance information to the most recent month-end, visit www.gmo.com.

MAJOR PERFORMANCE DRIVERS

The Markit iBoxx USD Liquid High Yield Index returned 1.5% in the fourth quarter of 2025, supported by declining front-end interest rates and modest spread tightening. The index spread return was positive overall, though credit rating cohort performance was mixed - BBs and Bs delivered positive excess returns, while CCCs lagged.

The High Yield portfolio outperformed the benchmark, driven primarily by allocations to Carry (via long positions in CDX HY) and Quality (via BB Bonds). Conversely, exposure to Benchmark Arbitrage via Total Return Swaps, referencing the benchmark index detracted, as the discount to the NAV widened (increased) during the period. Positions in the Short Volatility sleeve also made a small negative contribution to alpha.

Throughout the quarter, the portfolio increased its Quality factor exposure from 25% to 30%, actively traded Carry at the expense of allocations to Benchmark Arbitrage positions, and closed volatility selling positions in November.

At quarter end, the portfolio was invested in liquid portfolio products and high yield bonds with allocations of 30% to Quality, 20% to Carry, and 49% to Benchmark Arbitrage.

Inception Date: 25-Jun-18

Performance for the year of inception is less than a full calendar year. Returns shown for periods greater than one year are on an annualized basis.

Risks: Risks associated with investing in the Fund may include: (1) Management and Operational Risk: the risk that GMO's investment techniques will fail to produce desired results, including annualized returns and annualized volatility; (2) Market Risk - Fixed Income Investments: the market price of a fixed income investment can decline due to a number of market-related factors, including rising interest rates and widening credit spreads or decreased liquidity stemming from the market's uncertainty about the value of a fixed income investment (or class of fixed income investments); and (3) Credit Risk: the risk that the issuer or guarantor of a fixed income investment or the obligor of an obligation underlying an asset-backed security will be unable or unwilling to satisfy its obligation to pay principal and interest or otherwise to honor its obligations in a timely manner. For a more complete discussion of these and other risks, please consult the Fund's Prospectus. **Performance Returns:** Annualized Returns may include the impact of purchase premiums and redemption fees. The GMO Trust funds are distributed in the United States by Funds Distributor LLC. GMO and Funds Distributor LLC are not affiliated.

Net Expense Ratio: 0.00%; Gross Expense Ratio: 0.01% Net Expense Ratio reflects the reduction of expenses from fee reimbursements. The fee reimbursements will continue until at least June 30, 2026. Elimination of this reimbursement will result in higher fees and lower performance. Gross Expense Ratio is equal to the Funds Total Annual Operating Expenses set forth in the Funds most recent prospectus dated June 30, 2025.

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PRODUCT OVERVIEW

The GMO High Yield Fund seeks to generate total return in excess of that of its benchmark, the Markit iBoxx USD Liquid High Yield Index, by applying a systematic, factor-based approach to portfolio construction. It is designed to capture alpha from top-down sources of risk premia, taking advantage of structural market inefficiencies, while maintaining a liquid portfolio. Our top-down, data-driven approach (in what is still largely a fundamentally managed asset class) brings a unique perspective that allows us to allocate capital across a range of high yield instruments in an effort to achieve optimal risk-adjusted returns in excess of the Fund's benchmark.

IMPORTANT INFORMATION

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

Benchmark(s): The Markit iBoxx USD Liquid High Yield Index is an independently maintained index consisting of liquid USD high yield bonds, selected to provide a balanced representation of the broad USD high yield corporate bond universe.

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ABOUT GMO

Founded in 1977, GMO is a global asset manager committed to delivering superior performance and advice to our clients. We are privately owned, which allows us to singularly focus on our sole business – achieving outstanding long-term client investment outcomes. Offering multi-asset, equity, fixed income, and alternative strategies, we invest with a long-term, valuation-based philosophical approach.

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*GMO's West Coast Hub is comprised of members of Investment, Global Client Relations, and other teams located in and around the Greater San Francisco area

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