

Climate Change Fund

Year Ending December 31, 2018

OVERVIEW:

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

Performance (%)

Net of Fees, Class III, Fair Value, USD	-15.80
Gross of Fees, Class III, Local Close, USD	-15.34
MSCI ACWI ¹	-9.42
Value Added	-5.93

SECTOR ALLOCATION: -0.1%

SECURITY SELECTION: -5.8%

Major Performance Drivers

Clean Energy

Positioning:

Clean Energy companies accounted for approximately 39% of our total portfolio weight during the year.

Results:

Our position in Clean Energy detracted from performance for the year. Lithium companies SQM & Albemarle were among the largest detractors as their share prices fell due to concerns about oversupply. Norilsk Nickel, part of our Other Battery Metals segment, was among Clean Energy's biggest contributors.

Copper

Positioning:

Copper companies accounted for approximately 9% of our total portfolio weight during the year.

Results:

Copper companies suffered from the price of copper declining almost 20% during the year, largely due to concerns about the impact of a potential trade war on global economic growth. We maintain our positive long-term outlook for copper and think it will be instrumental in helping the world mitigate climate change.

Agriculture

Positioning:

Agriculture companies accounted for approximately 20% of our total portfolio weight during the year.

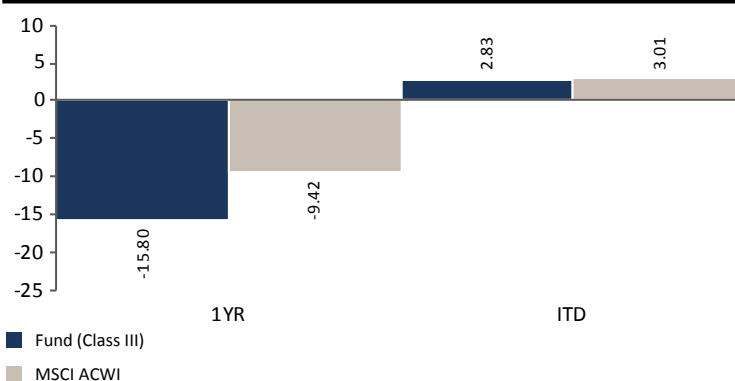
Results:

Our Agriculture exposure contributed positively to performance this year. Within Agriculture, Salmon Farming companies were among the top contributors, with Leroy Seafood, Austevoll Seafood, and Salmar up 40%–60% during the year.

Year-ending weights, as a percent of equity, for the positions mentioned were: SQM (4.1%), Albemarle (2.7%), Norilsk Nickel (2.5%), Leroy Seafood (0.0%), Austevoll Seafood (1.8%), and Salmar (0.9%).

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. Gross Expense Ratio Class R6 1.51% is equal to the Funds Total Annual Operating Expenses set forth in the Funds most recent prospectus dated June 30, 2018 as amended.

Annualized Return (%) as of December 31, 2018



Inception date: 04/05/2017

Chart returns include purchase premiums and redemption fees impact if applicable.

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.

Risks associated with investing in the Fund may include Market Risk - Equities, Management and Operational Risk, Non-U.S. Investment Risk, Liquidity Risk, and Derivatives Risk. For a more complete discussion of these risks and others, please consult the Fund's prospectus. Distributor: Funds Distributor LLC. GMO and Funds Distributor LLC are not affiliated.

¹ The MSCI ACWI (All Country World) Index (MSCI Standard Index Series, net of withholding tax) is an independently maintained and widely published index comprised of global developed and emerging markets. MSCI data may not be reproduced or used for any other purpose. MSCI provides no warranties, has not prepared or approved this report, and has no liability hereunder.