

Climate Change Fund

Year Ending December 31, 2019

OVERVIEW:

The GMO Climate Change Fund seeks to deliver high total return by investing primarily in equities of companies GMO believes are positioned to benefit, directly or indirectly, from efforts to curb or mitigate the long-term effects of global climate change, to address the environmental challenges presented by global climate change, or to improve the efficiency of resource consumption.

Performance (%)

Net of Fees, Class III, Fair Value, USD	+26.45
Gross of Fees, Class III, Local Close, USD	+27.55
MSCI ACWI ¹	+26.60
Value Added	+0.95

Major Performance Drivers

The GMO Climate Change Strategy performed well in 2019, roughly matching the performance of the strategy benchmark, MSCI All Country World Index (ACWI). As you dig beneath this surface more interesting details emerge. ACWI is a large cap, U.S.-dominated index, and as has typically been the case in recent years, U.S. large caps significantly outperformed other markets. Given that we had zero exposure to large cap U.S. equities and large allocations to areas that struggled in 2019, including non-U.S. markets (and emerging markets, in particular), small cap, and value, we were pleased to keep pace through strong stock selection.

2019 Contributors

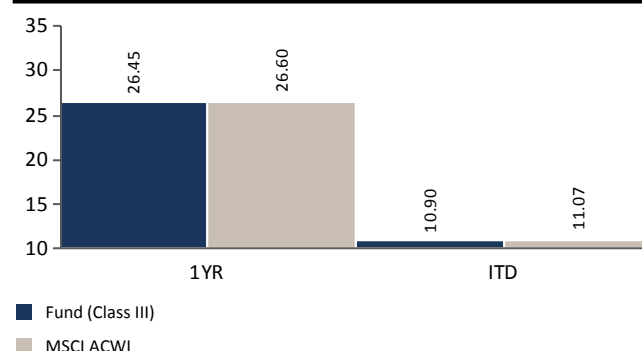
- The portfolio's Clean Energy positions performed very well last year, ending the year up over 40%. Our solar positions more than doubled, and while our wind positions couldn't keep up with their solar cousins, they still gained almost 35% on the year.
- Among companies dedicated to helping the world adapt to the changing climate, our Water positions produced strong returns.
- Our positions in precision agriculture & farming delivered solid performance during the year.

2019 Detractors

- Our batteries & storage positions performed poorly as falling lithium prices hurt the lithium producers.
- Agriculture Productivity also fell as phosphate prices dropped to 10-year lows. Record Mississippi River flooding delayed plantings and limited fertilizer application.

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 of 1.01% is equal to the Funds Total Annual Operating Expenses set forth in the Funds most recent prospectus dated June 30, 2019.

Annualized Return (%) as of December 31, 2019



Inception date: 04/05/2017

Includes 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, 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. The GMO Trust funds are distributed in the United States by 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.