

CLIMATE CHANGE FUND

Year Ending December 31, 2020

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	+42.86
Gross of Fees, Class III, Local Close, USD	+43.75
MSCI ACWI ¹	+16.25
Value Added	+27.49

Major Performance Drivers

Relevant Market Events

While Covid-19 roiled global markets in the first quarter, the market's rebound from March lows impressed just about everyone. Global markets advanced about 16% as measured by the MSCI ACWI Index, and there were a number of positive developments for climate change investors that paved the way for an even stronger upswing. For example, the prospects for, and eventual election of, the Biden administration raised hopes for improved climate policy in the U.S. Also, China's commitment to decarbonize by 2060 and Europe's ongoing commitment to battle climate change helped set the stage for improved sentiment in this unique sector.

The strong returns this year suggest investors are warming up to the benefits of climate change investing, yet the sector remains poorly understood. With an uncertain outlook for global economic growth in 2021, we are finding companies with exciting prospects to benefit significantly from global efforts to mitigate and adapt to climate change. Amid this environment of increased expectations for the climate change sector, we think it is prudent to steadfastly adhere to our value discipline and unique value-based approach.

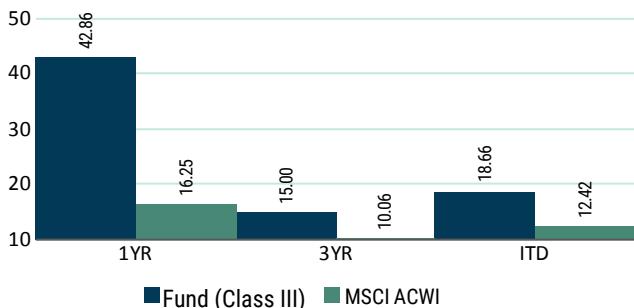
Recent Performance Highlights

The portfolio performed well in 2020, outperforming the stated benchmark, MSCI All Country World Index (ACWI).

Clean Energy averaged 40% of the portfolio in 2020 and performed well across the board. Solar, Wind, Biofuels, Batteries & Storage, and Clean Power Generation all produced impressive returns. Clean Energy-related materials also had strong gains, as our Copper positions were up almost 60%, and our Lithium positions almost doubled. Agriculture companies also performed well in 2020, though they did not keep pace with the aforementioned sectors.

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 0.94% is equal to the Funds Total Annual Operating Expenses set forth in the Funds most recent prospectus dated June 30, 2020.

ANNUALIZED RETURN (%) AS OF 12/31/2020



Inception date: 04/05/2017

Includes purchase premiums and redemption fees impact if applicable.

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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.