

EMERGING COUNTRY DEBT

OVERVIEW

The GMO Emerging Country Debt Fund's objective is total return in excess of that of its benchmark, the J.P. Morgan Emerging Markets Bond Index Global Diversified (EMBIG-D). The Fund invests primarily in external debt of sovereigns and quasi-sovereigns.

GMO's Emerging Country Debt team focuses on bottom-up issue selection, seeking to find issues with similar default characteristics but better long-term total return potential than the issues in EMBIG-D. We believe that our approach provides long-term, value-oriented clients with the best chance for total return in this asset class and differentiates us from other emerging debt managers who focus on economic forecasting, market timing, and other macro/top-down approaches.

CUMULATIVE TOTAL RETURNS (USD, NET OF FEES, %)

	MTD	QTD	YTD	2023	2022	2021	2020	2019
Class III	2.16	2.27	2.27	17.64	-16.32	-1.29	7.23	14.28
Benchmark	0.98	-0.05	-0.05	11.09	-17.78	-1.80	5.65	14.42

ANNUALIZED TOTAL RETURNS (USD, NET OF FEES, %)

	1 Year	3 Years	5 Years	10 Years	ITD
Class III	18.14	0.95	2.85	4.34	11.95
Benchmark	10.05	-2.39	0.62	2.67	8.22

STANDARDIZED SEC RETURNS (USD, NET OF FEES, %)(AS OF 30-SEP-23)

	1 Year	3 Years	5 Years	10 Years	ITD
Class III	14.31	-2.58	0.57	3.16	11.56
Benchmark	10.01	-4.57	-0.38	2.09	8.02

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. **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.**

FACTS

Share Class	Class III
Share Class Ticker	GMCDX
Share Class Inception	19-Apr-94
Fund Inception	19-Apr-94
Total Assets	\$2.3bn USD
Benchmark	J.P. Morgan EMBI Global Diversified +

RISK PROFILE (5-YEAR TRAILING)

Alpha (Jensen's)	2.36
Beta	1.09
R Squared	0.96
Sharpe Ratio	0.07
Standard Deviation	12.66

ANNUAL EXPENSES (%)

Net Expense Ratio	0.54
Gross Expense Ratio	0.54

Net Expense Ratio reflects the reduction of expenses from fee reimbursements. The fee reimbursements will continue until at least June 30, 2024. 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, 2023.

PORTFOLIO MANAGEMENT



Tina Vandersteel, CFA
Joined GMO in 2004
BA, Washington & Lee
University

Risks: Risks associated with investing in the Fund may include: (1) 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. (2) Market Risk - Fixed Income: The market price of a fixed income investment can decline due to market-related factors, including rising interest rates and widening credit spreads, or decreased liquidity due to market uncertainty about the value of a fixed income investment (or class of fixed income investments). In addition, the market prices of emerging country sovereign and quasi-sovereign debt instruments can decline due to uncertainty about their credit quality and the reliability of their payment streams. (3) Illiquidity Risk: Low trading volume, lack of a market maker, large position size, or legal restrictions may limit or prevent the Fund from selling particular securities or closing derivative positions at desirable prices. For a more complete discussion of these risks and others, please consult the Fund's prospectus. Annualized Returns may include the impact of purchase premiums and redemption fees. Returns shown for periods greater than one year are on an annualized basis. To obtain performance information to the most recent month-end, visit www.gmo.com.

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CHARACTERISTICS

	<i>Portfolio</i>	<i>Benchmark</i>
Spread Duration	6.7	6.6
Modified Duration	6.2	6.6
Portfolio Turnover	21%	24%
# of Countries	77	70
USD	102%	100%

SECTORS (%)

<i>Sector</i>	<i>Portfolio</i>	<i>Benchmark</i>
Quasi-Sovereign	24.6	18.2
Sovereign	75.4	81.8

TOP COUNTRIES (DURATION ADJUSTED) (%)

<i>Country</i>	<i>Portfolio</i>	<i>Benchmark</i>
Mexico	7.1	5.0
Turkey	6.5	4.5
Bahrain	5.2	3.0
Egypt	4.5	2.7
Argentina	4.4	1.6
Dominican Republic	4.4	2.9
Saudi Arabia	4.4	4.8
Colombia	4.2	2.8
Oman	4.2	3.1
Romania	3.7	2.6

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IMPORTANT INFORMATION

Benchmark(s): The J.P. Morgan EMBI (Emerging Markets Bond) Index Global Diversified + is an internally maintained benchmark computed by GMO, comprised of (i) the J.P. Morgan EMBI+ Index through 12/31/1999, (ii) the J.P. Morgan EMBI Index Global through 2/28/2020, and the J.P. Morgan EMBI Index Global Diversified (iii) thereafter.

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.

The GMO Trust funds are distributed in the United States by Funds Distributor LLC. GMO and Funds Distributor LLC are not affiliated.

GLOSSARY

Fixed Income Characteristics: Interest rate duration is calculated on fixed income instruments and relative to the entire portfolio (inclusive of fixed income, equity, cash, alternative investments, etc.). Turnover is as of the most recent quarter-end.

Country Exposures: This portfolio continues to hold de minimis Russian exposure as a result of past positioning and ongoing illiquidity. GMO has suspended net new purchases of Russian securities firm-wide.

Credit Ratings: The credit ratings above may encompass emerging debt, developed rates, and asset-backed exposure. Ratings for core portfolio holdings are derived by using the middle rating from Standard & Poor's, Moody's, and Fitch. Ratings for core holdings were adjusted during the January 2021 reporting period to conform with index provider methodology. Ratings for the emerging debt portion of the portfolio are derived by applying the Standard and Poor's or Moody's issue-level ratings (sequentially), and the S&P LT Foreign currency (FC) country issuer rating for the FC debt securities and/or S&P LT Local currency (LC) country issuer rating for LC securities where a security is not rated by either of the abovementioned credit rating agencies. Final credit ratings are expressed based upon Standard and Poor's ratings scale. Standard & Poor's rates securities from AAA (highest quality) to C (lowest quality), and D to indicate securities in default; some securities are not rated (NR). BB and below are considered below investment grade securities. Please refer to our website for additional information: <https://www.gmo.com/americas/benchmark-disclaimers/>

Risk Statistics: Risk profile data is net of fees. Alpha is a measure of risk-adjusted return. Beta is a measure of a portfolio's sensitivity to the market. R-Squared 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.

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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