

RESOURCES FUND

Year Ending December 31, 2020

OVERVIEW

The GMO Resources Fund seeks to deliver total return by investing in the equities of companies in the natural resources sector.

PERFORMANCE (%)

| | |
|--|---------------|
| Net of Fees, Class III, Fair Value, USD | +22.49 |
| Gross of Fees, Class III, Local Close, USD | +23.39 |
| MSCI ACWI Commodity Producers ¹ | -12.32 |
| Value Added | +35.71 |

Major Performance Drivers

Relevant Market Events

It was a volatile year for commodity producers, starting with a significant drawdown in the first quarter of 2020. Covid-19 roiled markets and the price of oil collapsed, but metal and agricultural commodities prices held up well early on. Interestingly, the equity market did not discern among differing underlying commodity price actions and punished all commodity producers approximately evenly. The markets then recovered throughout the year, and the U.S. election followed by favorable news related to a Covid-19 vaccine caused a rally late in a year that boosted many sectors into positive territory. Only traditional Energy companies ended the year in negative territory, while the other resources sectors posted handsome gains.

Recent Performance Highlights

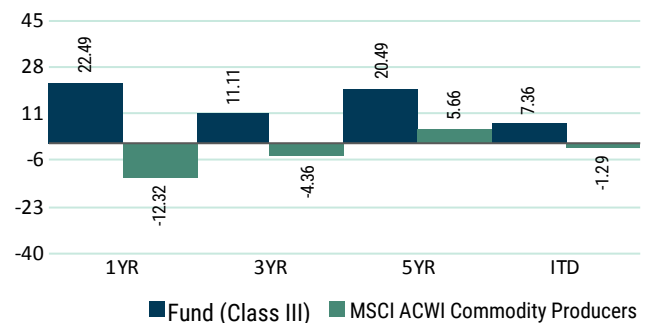
In 2020, the portfolio posted a solid return which was significantly better than our benchmark. Both favorable allocation decisions and strong stock selection contributed to the strong relative performance.

We started the year underweight Energy and overweight Metals and Agriculture. We rotated into attractively priced Energy companies as the year went on, and we ended with a slight overweight. Conversely, we started the year overweight Industrial Metals and trimmed the position somewhat in the fourth quarter. Overall, the timing of this sector positioning worked quite well.

Stock selection was also strong within sectors. Our positions in materials vital to clean energy, like Lithium and Copper, performed very well. Also boosting performance was the allocation to Clean Energy companies, which had a strong year but are not included in the benchmark.

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 investors 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 0.73% 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: 12/28/2011

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, Commodities Risk, Market Risk-Equities, Management and Operational Risk and Non-U.S. Investment 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) Commodity Producers Index (MSCI Standard Index Series, net of withholding tax) is an independently maintained and widely published index comprised of listed large and mid capitalization commodity producers within the 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.