

GMO OPPORTUNISTIC INCOME FUND

THE OPPORTUNITY

The structured finance asset class offers a range of opportunities due to both its inherently fragmented nature and the inefficiencies caused by market segmentation, stale ratings, and structural anomalies.

- **Structural Inefficiencies:** Securities in most parts of the market face discrete pools of loans (where the loans backing one deal are different from all other deals). Individual deals and securities are replete with cash flow waterfall and transactional document differences, requiring intensive research but creating significant alpha potential.
- **Fragmentation:** The sector offers an enormous amount of heterogeneity with respect to sectors, subsectors, and individual bonds. This creates opportunity for an unconstrained, agnostic investor like GMO.
- **Unique Risk Attributes:** The sector can offer both a lower beta to the overall market and lower correlation to traditional credit sectors. The ABS sector, for instance, is heavily floating rate and has a low spread duration. Much of the sector is also directly exposed to the U.S. consumer, creating a different (and many would say attractive) credit exposure in the current environment.

OUR APPROACH

The GMO Opportunistic Income Fund seeks capital appreciation and current income by investing in the most attractively priced sectors and securities in the structured finance marketplace. Using a relatively unconstrained approach, the team combines top-down and bottom-up security selection methods to identify the best opportunities from a pure risk/return perspective.

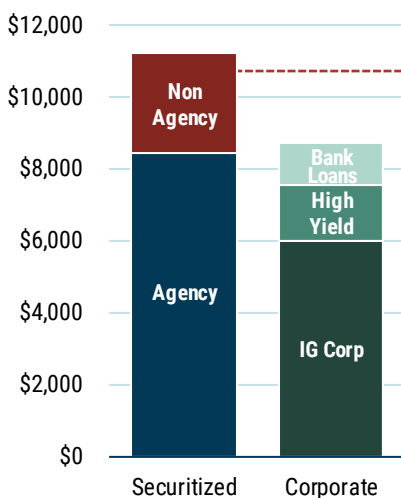
Top-Down: Sectors are ranked based on differences in fundamentals, seasoning, convexity, and place in the leveraging/de-levering cycle. These views are then paired with overlays on capital structure and duration to determine which parts of the curve and maturity spectrum offer the most relative opportunity.

Bottom-Up: Once top-level allocations are set, the team applies sector-level expertise to determine security-level positions, drawing on a range of metrics such as loan-level historical performance, leverage metrics, loan structure, and specific transactional elements measured in a consistent and repeatable way.

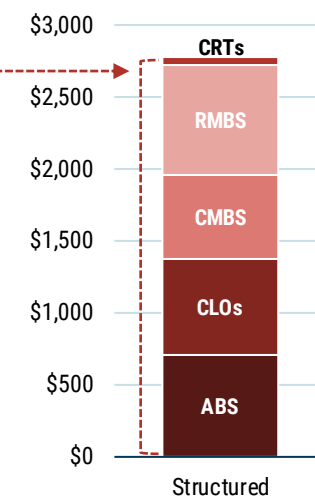
Portfolio Construction & Risk Management: Once security-level opportunities have been identified, we apply our systematic portfolio construction and risk management process to determine any required credit or interest rate hedges to neutralize secular risks.

WHY STRUCTURED PRODUCTS?

Market size of securitized and corporate credit



We focus on idiosyncratic non-agency risk



Source: Bloomberg, GMO

PORTFOLIO MANAGEMENT



Joe Auth, CFA

- Joined GMO in 2014
- 26 yrs industry experience
- M.B.A. from the University of Connecticut



Ben Nabet

- Joined GMO in 2015
- 15 yrs industry experience
- Ph.D., M.A. from Princeton University

CONTACT US

For more information on this product please email us at access@gmo.com or reach out to your relationship manager.

Visit our website at gmo.com.

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Benchmark	Bloomberg U.S. Securitized +
Inception Date*	October 3, 2011
Total Assets as of 3/31/2024	\$1.5bn USD
Morningstar Category	Non-Traditional Bond

	Share Class I	Share Class VI	Share Class R6
Ticker	GMOLX	GMODX	GAAAX
CUSIP	362014219	362013112	362014193
Net Expense Ratio ¹	0.67	0.48	0.57
Gross Expense Ratio ²	0.71	0.52	0.61
*Inception Date	11/5/19	10/3/11	5/19/21

¹ 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.

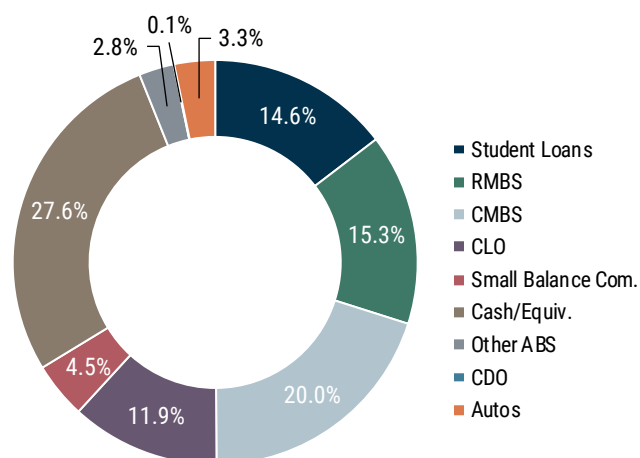
² Gross Expense Ratio is equal to the Fund's Total Annual Operating Expenses set forth in the Fund's most recent prospectus dated June 30, 2023.

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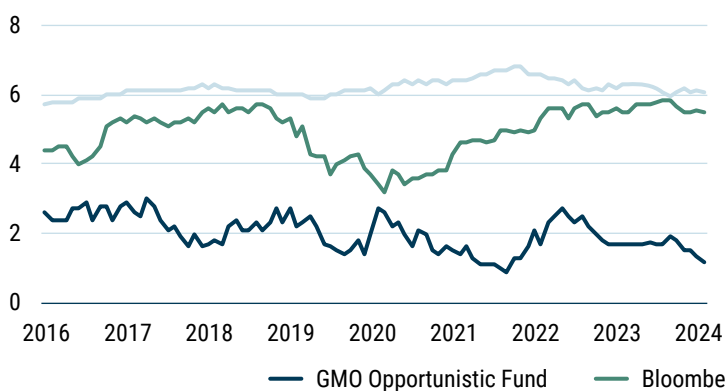
CHARACTERISTICS

	<i>Portfolio</i>
Spread Duration	1.2
Spread to LIBOR	141.9 bps
Interest Rate Duration	2.1
Percent Floating Rate	69.3 %

SECTORS (%)



SPREAD DURATION



RISK PROFILE - 5-YEAR TRAILING

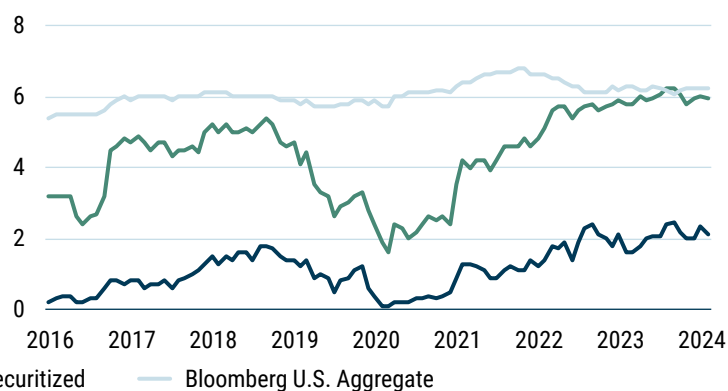
	<i>Portfolio</i>	<i>Bloomberg U.S. Securitized+</i>
Alpha (Jensen's)	1.50	N/A
Beta	0.23	N/A
R-Squared	0.16	N/A
Sharpe Ratio	0.28	-0.39
Standard Deviation	3.44	5.95

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. Risk profile data is net.

CREDIT RATINGS¹ (%)

AAA	72.6	B	1.3
AA	4.0	CCC	3.2
A	1.1	CC	2.0
BBB	3.2	C	3.3
BB	2.5	D	3.7

INTEREST RATE DURATION



¹The credit ratings above may encompass emerging debt, developed rates, and asset-backed exposure. Ratings for the emerging debt and developed rates portions of the portfolio are derived by taking the Standard and Poor's country ratings and applying these ratings to the country exposures of the portfolio. For the asset-backed portion of the portfolio, credit ratings are derived by using the lowest rating among rating agencies at the issue level. 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. Copyright 2021, S&P Global Market Intelligence. Reproduction of any information, data or material, including ratings ("Content") in any form is prohibited except with the prior written permission of the relevant party. Such party, its affiliates and suppliers ("Content Providers") do not guarantee the accuracy, adequacy, completeness, timeliness or availability of any Content and are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, or for the results obtained from the use of such Content. In no event shall Content Providers be liable for any damages, costs, expenses, legal fees, or losses (including lost income or lost profit and opportunity costs) in connection with any use of the Content. A reference to a particular investment or security, a rating or any observation concerning an investment that is part of the Content is not a recommendation to buy, sell or hold such investment or security, does not address the suitability of an investment or security and should not be relied on as investment advice. Credit ratings are statements of opinions and are not statements of fact.

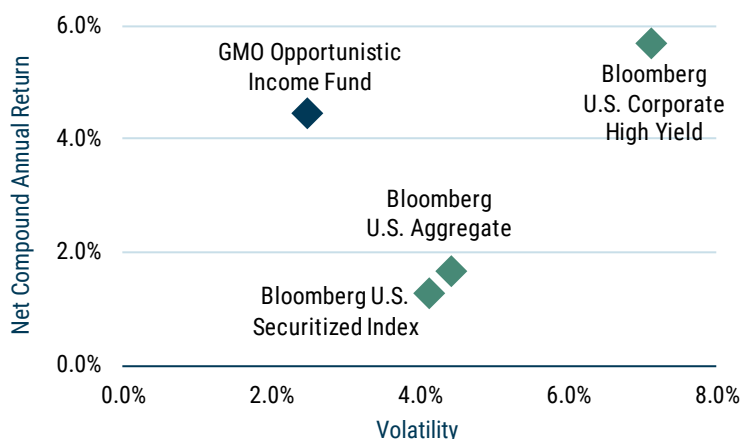
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PERFORMANCE NET OF FEES (% , USD)

	MTD	QTD	YTD	1-Year	3-Year	5-Year	10-Year	ITD	Inception
Opportunistic Income Fund (Share Class I)	0.63	1.29	1.29	6.43	2.32	-	-	2.61	11/5/19
Opportunistic Income Fund (Share Class VI)	0.64	1.37	1.37	6.62	2.51	3.03	3.63	4.40	10/3/11
Opportunistic Income Fund (Share Class R6)	0.64	1.32	1.32	6.49	-	-	-	2.40	5/19/21
Bloomberg U.S. Securitized +	1.04	-0.91	-0.91	1.61	-2.71	-0.25	0.62	0.61	

Returns shown for periods greater than one year are on an annualized basis. If certain expenses were not reimbursed, performance would be lower. Transaction costs, if any, are paid to the fund to offset the cost of portfolio transactions to invest or raise cash. **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.**

RISK/RETURN RECORD



	Compound Annual Return	Annualized Volatility	Sharpe Ratio ¹
GMO Opportunistic Income Fund	4.5%	2.5%	1.34
Bloomberg U.S. Aggregate	1.6%	4.4%	0.12
Bloomberg U.S. Securitized Index	1.3%	4.1%	0.04
Bloomberg U.S. Corporate High Yield	5.7%	7.1%	0.64

Inception: 10/31/11 | Source: GMO

¹ Sharpe Ratio = (portfolio return less risk-free rate)/volatility of annual returns. The Bloomberg U.S. Securitized + is an internally maintained benchmark computed by GMO, comprised of the J.P. Morgan U.S. 3-Month Cash Index through 12/30/2016 and the Bloomberg U.S. Securitized: MBS, ABS, CMBS Index thereafter.

DIVERSIFICATION TO OTHER CREDIT AND RISK PRODUCTS

	Correlation with Opportunistic Income Fund	Return	Risk	Sharpe Ratio
GMO Opportunistic Income Fund	-	4.4%	2.5%	1.3
ABS	0.6	1.8%	1.9%	0.4
CLOs	0.8	4.0%	3.5%	0.8
CMBS	0.6	2.6%	3.9%	0.4
Bloomberg Securitized Index	0.3	1.3%	4.2%	0.0
Agency RMBS	0.3	1.2%	4.3%	0.0
Treasuries	0.2	1.0%	4.4%	0.0
US Aggregate	0.4	1.7%	4.5%	0.1
Senior Loans	0.7	5.0%	5.0%	0.8
IG Corporates	0.6	3.2%	6.4%	0.3
High Yield	0.6	5.9%	7.1%	0.7
S&P 500	0.4	14.6%	14.3%	0.9

Data from 12/30/11 to 9/30/23 | Monthly Total Returns from S&P Leveraged Loan Index, Bloomberg High Yield Index, Bloomberg U.S. Corporate Index, Bloomberg Treasury Index, Bloomberg U.S. Aggregate Index, S&P 500 Total Return, JP Morgan CLOIE Index, Bloomberg U.S. MBS Index, Bloomberg ABS Index, Bloomberg CMBS Index, Bloomberg U.S. Securitized Index, and GMO Opportunistic Income Fund.

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ABOUT GMO

Founded in 1977, GMO is a global investment manager committed to delivering superior performance and advice to our clients. Our sole business is investment management, and we are privately owned, which allows us to maintain a singular focus on achieving outstanding long-term outcomes for our clients. Offering solutions across multi-asset class, equity, fixed income, and alternative strategies, we are grounded in a common philosophical belief that a long-term, valuation-based approach will maximize risk-adjusted returns. We also believe that material ESG factors will be determinants of success of the companies and countries in which we invest, and that integrating ESG into investment processes can improve our long-term results. Known for our willingness to challenge the status quo and our creative approach to investment problems, we candidly share our market views and take bold, differentiated portfolio positions when conditions warrant them.

CONTACT US

For more information on this product please email us at access@gmo.com or reach out to your relationship manager.

Visit our website at gmo.com.

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 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.

Risks associated with investing in the Fund may include those as follows. (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. The market price of a fixed income investment will normally decline due to the issuer's, guarantor's, or obligor's failure to meet its payment obligations or in anticipation of such failure. (2) Market Risk - Asset-Backed Securities: The market price of asset-backed securities, like that of other fixed income investments with complex structures, can decline for a variety of reasons, including market 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.

The Fund is the accounting and performance successor to GMO Debt Opportunities Fund, a former series of GMO Trust (the "Predecessor Fund"). The Predecessor Fund merged into the Fund (which was known as "GMO Short-Duration Collateral Fund" prior to the merger) on February 12, 2014. Performance of the Fund for periods prior to February 12, 2014 is that of the Predecessor Fund and reflects the Predecessor Fund's annual operating expenses (0.01% lower than those of the Fund immediately following the merger). For information regarding GMO Short-Duration Collateral Fund's performance history, please see page 236 of the Prospectus. From February 12, 2014 through December 31, 2016, the Fund operated as "GMO Debt Opportunities Fund" and had the same investment objective and pursued substantially identical investment strategies as the Predecessor Fund. Effective January 1, 2017, the Fund's investment objective changed from "positive total return" to "capital appreciation and current income" and, in conjunction with a change in the Fund's name from "GMO Debt Opportunities Fund" to "GMO Opportunistic Income Fund," the Fund eliminated its name policy that required the Fund to invest at least 80% of its assets in debt investments. Also effective January 1, 2017, the Fund's investment management fee increased from 0.25% to 0.40% of the Fund's average daily net assets. Performance of the Fund for periods prior to January 1, 2017 reflects the Fund's annual operating expenses during those periods, and would have been lower if the current management fee and annual operating expenses were in effect.

The Bloomberg U.S. Securitized + Index is an internally maintained benchmark computed by GMO, comprised of (i) the J.P. Morgan U.S. 3 Month Cash through 12/30/2016 and (ii) the Bloomberg U.S. Securitized thereafter.