

QUARTERLY INVESTMENT REVIEW

Opportunistic Income Fund

Performance returns (USD)

ANNUALIZED RETURNS (QUARTER-END)	Quarter-End	YTD	1-Year	3-Year	5-Year	10-Year	Since Inception
Opportunistic Income Fund (net)	2.95	5.90	9.03	3.60	3.39	3.81	4.58
Opportunistic Income Fund (gross)	3.07	6.28	9.55	4.09	3.88	4.26	5.00
Bloomberg U.S. Securitized+	5.44	4.61	12.22	-1.11	0.15	1.15	1.01
Value Add	-2.50	+1.29	-3.20	+4.71	+3.25	+2.66	+3.57

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. Gross of fees, expenses and transaction costs, if any. If these fees, expenses and costs were included, 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. To obtain performance information to the most recent month-end, visit www.gmo.com.** The portfolio is not managed relative to a benchmark. References to an index are for informational purposes only.

MAJOR PERFORMANCE DRIVERS

Securitized Product returns were positive during the third quarter as base rates (swap and Treasury yields) fell and spreads continued to compress. Following the Federal Reserve's first rate cut since 2020, fixed rate portions of the securitized market outperformed floating rate sectors. Commercial Mortgage Backed Securities (CMBS), specifically Single Asset Single Borrower profiles, and fixed rate Asset Backed Securities (ABS) had positive total and excess returns this quarter. Floating rate sectors such as Collateralized Loan Obligations (CLO) and Student Loans also had positive total and excess returns, albeit lagging fixed rate peers. Agency Mortgage Backed Securities (MBS) had positive total and excess returns across product types and coupons this quarter. In corporate credit markets, Investment Grade (IG) returns outpaced High Yield (HY) counterparts modestly on a total return basis this quarter, while shorter duration HY outperformed on an excess return basis.

Excess returns (vs. swaps) in structured products were mostly positive in the third quarter. Credit Risk Transfer (CRT) deals on residential mortgages reported positive excess returns, ranging from +0.3% to +1.0% on various tranches. In the residential space, Non-Agency Residential Mortgage-Backed Securities (RMBS) enjoyed positive excess returns ranging from +2.3% to 4.7% across profiles. Single Family Rental (SFR), a somewhat hybrid member of the RMBS cohort, lagged this quarter with excess returns across the capital structure around -2.5%. In CMBS, a longer duration asset, overall performance was up +0.2% in excess on the quarter, with LCF AAA securities posting 0.2% excess returns, while lower-rated BBB were lower at -0.2%. Shorter duration fixed rate Auto ABS were flat on an excess basis this quarter. Floating rate ABS excess performance from Student Loans was positive in Q3 with +0.4%. Overall performance in the CLO market was up +0.8% in excess during the quarter; excess returns in the lower part of the capital structure were higher, with BBB posting +1.3% and BB posting +2.3%.

Absolute performance in the Opportunistic Income portfolio was positive, driven by gains in the Duration Management, CMBS, and RMBS sectors. Detracting modestly from overall performance this quarter were credit hedging positions.

Approximately 72% of the portfolio was rated AAA with 78% rated single A or higher. Across the portfolio, 20% was invested in CMBS, 16% in RMBS, 13% in Student Loans, 9% in CLO securities, 4% in Small Balance Commercial, 3% in Autos, and 5% in other ABS.

(Ratings are lowest of Moody's, Standard & Poor's, Fitch, DBRS, and Kroll. No rating is used if none of the five listed provides a rating.)

Inception Date: 3-Oct-11

Performance for the year of inception is less than a full calendar year. Returns shown for periods greater than one year are on an annualized basis.

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-Asset-Backed Securities Risk: 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 investor uncertainty about their credit quality and the reliability of their payment streams. Payment streams associated with asset-backed securities held by the Fund depend on many factors (e.g., the cash flow generated by the assets backing the securities, deal structure, and creditworthiness of any credit-support provider), and a problem in any of these factors can lead to a reduction in the payment stream GMO expected the Fund to receive when the Fund purchased the asset-backed security. (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. **Performance Returns:** Annualized Returns may include the impact of purchase premiums and redemption fees. The GMO Trust funds are distributed in the United States by Funds Distributor LLC. GMO and Funds Distributor LLC are not affiliated.

Net Expense Ratio: 0.48%; Gross Expense Ratio: 0.51% Net Expense Ratio reflects the reduction of expenses from fee reimbursements. The fee reimbursements will continue until at least June 30, 2025. 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, 2024.

QUARTERLY INVESTMENT REVIEW

PRODUCT OVERVIEW

The GMO Opportunistic Income Fund seeks capital appreciation and current income by investing in what we believe are the most attractively priced sectors and securities in the structured finance marketplace. The Structured Products team utilizes both top-down and bottom-up security selection methods to identify what we believe are the best opportunities from a pure risk/return perspective.

The structured finance asset class offers a range of opportunities due to both its inherently fragmented nature and the inefficiencies caused by market segmentation and structural anomalies. We believe that the marketplace's complexity, volatile historical performance, and very high number of discrete investment opportunities create considerable potential for alpha generation. Our relatively unconstrained approach to risk diversification, sub-sector allocation and security selection is designed to identify and benefit from those opportunities.

IMPORTANT INFORMATION

Comparator Index(es): 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.

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.

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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*GMO's West Coast Hub is comprised of members of Investment, Global Client Relations, and other teams located in and around the Greater San Francisco area

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