

# Core Plus Bond Fund

Year Ending December 31, 2019

## OVERVIEW:

The GMO Core Plus Bond Fund seeks total return in excess of that of its benchmark, the Bloomberg Barclays U.S. Aggregate Index. GMO aims to add value versus the benchmark by using its global interest rate and currency processes as well as through small exposure to the debt of emerging countries.

## Performance (%)

Net of Fees, Class III, USD	+9.64
Gross of Fees, Class III, USD	+10.08
Bloomberg Barclays U.S. Aggregate <sup>1</sup>	+8.72
<b>Value Added</b>	<b>+1.36</b>

## Major Performance Drivers

### Index Performance and Beta Replication

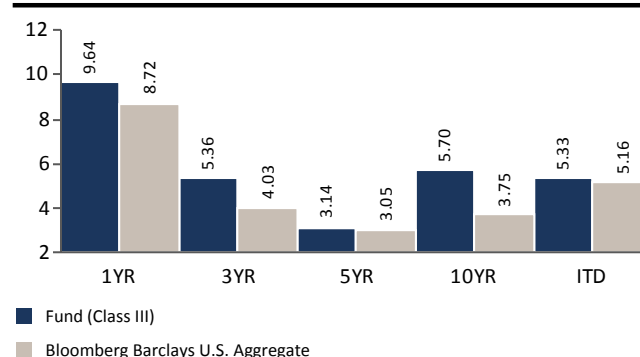
The Bloomberg Barclays U.S. Aggregate Index returned 8.7% during the 2019 calendar year. Positive index performance was driven primarily by a global duration rally but was assisted by credit spread tightening within the investment-grade corporate sector. Our Beta replication strategy was flat to the benchmark, while our systematic alpha overlay strategies provided strong gains during the period.

### Alpha Overlay

Interest rate strategies were responsible for the majority of our positive relative return, aided by the performance of our emerging markets currency model. The developed markets currency strategy lagged this year amid low volatility and a sideways U.S. dollar, slightly offsetting gains.

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](http://www.gmo.com). Gross Expense Ratio of 0.64% is equal to the Funds Total Annual Operating Expenses set forth in the Funds most recent prospectus dated June 30, 2019.

Annualized Return (%) as of December 31, 2019



Inception date: 04/30/1997  
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](http://www.gmo.com). Read the prospectus carefully before investing.**

Risks Associated with investing in the Fund may include Market Risk-Fixed Income, Credit Risk, Illiquidity Risk, Derivatives and Short Sales Risk and Market Risk-Asset-Backed Securities. 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.

<sup>1</sup> The Bloomberg Barclays U.S. Aggregate Index is an independently maintained and widely published index comprised of U.S. fixed rate debt issues having a maturity of at least one year and rated investment grade or higher.