

GMO Benchmark-Free Allocation Series Fund PS

December 31, 2018

FUND OVERVIEW

The GMO Benchmark-Free Allocation Series Fund seeks to generate positive total return by allocating to undervalued asset classes and sectors of the global market, free from the constraints of traditional benchmarks. The Fund invests in both conventional and unconventional asset classes by allocating to other GMO-managed portfolios or holding securities directly.

The Fund seeks annualized excess returns of 5% (net of fees) above the Consumer Price Index, with annualized volatility of 5-10%, over a complete market cycle.

The Fund invests substantially all of its assets in GMO Benchmark-Free Allocation Fund ("BFAF"), which invests primarily in shares of other funds managed by GMO. The Fund's investment objective and principal investment strategies, therefore, are substantially similar to those of BFAF. References to the Fund may refer to actions undertaken by the Fund or BFAF.

FUND FACTS

Inception: 7/23/03*

Class PS Ticker: GBFPX

Class PS Operating Expenses:

Total Annual Operating Expenses: 1.07%
Net Annual Operating Expenses after Reimbursement: 0.97%

Portfolio Management:

Ben Inker

About GMO:

Founded in 1977, GMO is an independently-owned, global institutional investment manager dedicated to providing our clients with superior investment advice and performance.

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OUR INVESTMENT PHILOSOPHY

GMO's Asset Allocation team believes that the key to effective investing is maintaining a long-term perspective. Investors who can avoid reacting to short-term volatility and can resist chasing market trends have a greater chance of growing their investments. Maximizing the benefits of a long time horizon requires attention to a risk that many investors overlook, yet that we believe is the greatest threat to investment success: the risk of overpaying.

Investments' prices may not reflect their true value at any given time. For example, investors can overreact to temporary conditions and drive a bond's price down beyond reason. Likewise, a strong company might not be a sound investment if investor exuberance has driven its stock price too high. Over time, however, investment prices almost always return to their fair value.

This tendency for prices to come back to fair value creates both opportunity and risk. Investors can buy cheap assets and reap gains when their price rebounds to fair value. On the other hand, buying overpriced investments is risky because prices that are higher than fair value tend to fall back, resulting in losses for investors.

To minimize this risk, we constantly scan the global markets for underpriced investments. We look to buy assets that are cheaper than our estimation of their fair value, while avoiding assets that cost more than we think they're truly worth. The approach requires a willingness to break away from the herd and sometimes hold temporarily unpopular investments that we believe have strong long-term prospects. Then, we continually update our estimate of an asset's fair value, and we generally hold until that value is reflected in the investment's price.

FIVE HALLMARKS OF OUR INVESTMENT PROCESS

Anchored To Valuation. We base all investment decisions on our measurement of fair value. To arrive at a particular asset's fair value, we analyze current prices and compare them with historical averages.

Go-Anywhere. We invest in our best ideas, anywhere in the world, and we tend to avoid any asset class that we believe is overpriced. For example, stocks, bonds, commodities, currencies, alternatives, cash – they're all fair game in this strategy.

Bold. We aren't afraid to stand apart from the crowd. That might mean increasing cash holdings when most assets are overpriced or sticking with unpopular assets when we believe the rest of market has underestimated their value.

Dynamic. We adjust to changes in the markets. Failing to adapt to changing circumstances can doom investors to long periods of poor returns.

Independent. We can use a go-anywhere, bold, dynamic investment process because we are an independent firm. We aren't under pressure to outperform in the short term or to deliver high profits in a given quarter. We are accountable only to our clients, and we share their long-term perspective.

Risks associated with investing in the Fund may include those as follows. (1) Management and Operational Risk: The risk that GMO's investment techniques will fail to produce desired results. (2) Market Risk – Equities: The market price of equities may decline due to factors affecting the issuing companies, their industries, or the economy and equity markets generally. Declines in stock market prices generally are likely to reduce the net asset value of the Fund's shares. (3) Non-U.S. Investment Risk: The market prices of many non-U.S. securities fluctuate more than those of U.S. securities. Many non-U.S. markets are less stable, smaller, less liquid, and less regulated than U.S. markets, and the cost of trading in those markets often is higher than it is in U.S. markets. For a more complete discussion of these risks and others, please consult the Fund's prospectus.

*Refers to the inception date of the GMO Benchmark-Free Allocation Fund. Class PS shares were first offered on October 4, 2016. GMO Benchmark-Free Allocation Series Fund is a feeder fund investing substantially all of its assets in shares of a corresponding master fund (i.e., a corresponding GMO Trust fund). Performance data quoted for GMO Benchmark-Free Allocation Series Fund reflects the performance data of the corresponding GMO Trust master fund re-stated to reflect the fees and expenses associated with GMO Benchmark-Free Allocation Series Fund.

GMO Benchmark-Free Allocation Series Fund PS

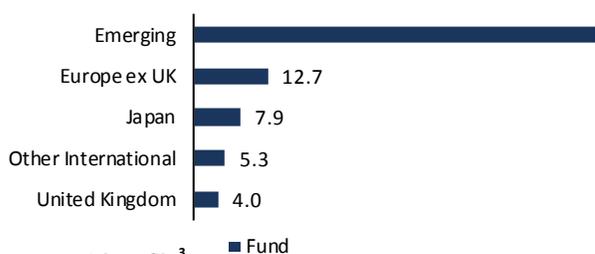
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FUND PROFILE

Group Exposures (%)¹



Equity Regional Weights (%)²



3-Year Risk Profile³

	Fund
Std. Deviation	5.57
Sharpe Ratio	0.42
Drawdown (3/31/2015-2/29/2016)	-8.46

Total Portfolio Duration²

Credit Ratings ^{2,4}	Fund
AAA	4.1%
AA	64.6%
A	3.3%
BBB	7.5%
BB	5.7%

Characteristics²

	Fund
Price/Earnings - Hist 1 Yr Wtd Med	9.5 x
Price/Book - Hist 1 Yr Wtd Avg	1.2 x
Return on Equity - Hist 1 Yr Med	13.7 %
Market Cap - Weighted Median \$Bil	\$7.1

¹The groups indicated above represent exposures determined pursuant to proprietary methodologies and are subject to change over time.

²Fund weights, characteristics and bond portfolio for GMO Benchmark-Free Allocation Series Fund are based on the corresponding GMO Trust master fund.

³Std. Deviation is a measure of the volatility of a portfolio's return. Sharpe Ratio is the return over the risk free rate per unit of risk. Drawdown is the largest negative cumulative portfolio return from peak to trough. Risk profile data is net.

⁴The 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.

Total Portfolio Duration is calculated on all fixed income instruments held by the portfolio and is shown relative to the entire portfolio (inclusive of fixed income, equity, cash, alternative investments, etc.).

PERFORMANCE NET OF FEES

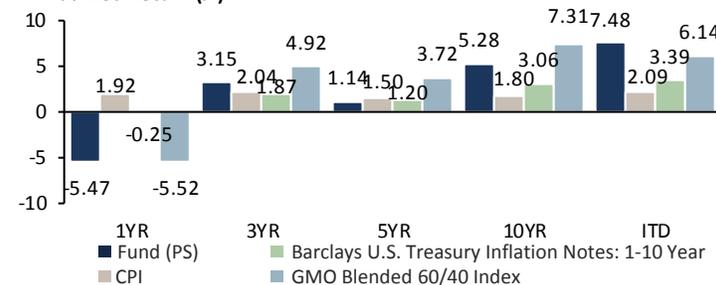
Total Return (%)

	Fund (PS)	CPI	Barclays U.S. Treasury Inflation Notes: 1-10 Year	GMO Blended 60/40 Index
4Q2018	-4.35	0.29	-0.05	-7.11
YTD 2018	-5.47	1.92	-0.25	-5.52

Annual Total Return (%)

Year	Fund (PS)	CPI	Barclays U.S. Treasury Inflation Notes: 1-10 Year	GMO Blended 60/40 Index
2017	12.71	2.03	1.90	15.41
2016	3.01	2.18	4.01	5.92
2015	-4.42	0.72	-0.52	-0.98
2014	0.86	0.67	0.91	4.96
2013	10.27	1.56	-5.59	12.32
2012	9.78	1.87	5.04	11.48
2011	3.65	2.95	8.93	-1.13
2010	4.69	1.25	5.22	10.77
2009	20.40	2.86	12.02	23.03
2008	-11.42	0.16	-2.43	-25.77

Annualized Return (%)



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.

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.

Performance of the feeder may differ from the master fund due to various factors including, but not limited to, expected higher cash levels in the feeder fund, the timing of feeder investments in or out of the corresponding master fund, and the impact of purchase and/or redemption fees (if applicable) charged by the master fund.

Gross Expense Ratio Class PS 1.07% reflects the Fund's total annual operating expense ratio from the Fund's most recent prospectus.

Net Expense Ratio Class PS 0.97% reflects the reduction of expenses from fee reimbursements. The fee reimbursements will continue until at least September 30, 2019. Elimination of this reimbursement will result in higher fees and lower performance.

The CPI (Consumer Price Index) for All Urban Consumers U.S. All Items is published monthly by the U.S. government as an indicator of changes in price levels (or inflation) paid by urban consumers for a representative basket of goods and services.

The Barclays U.S. Treasury Inflation Notes: 1-10 Year Index is an independently maintained and widely published index comprised of Inflation-Protection Securities issued by the U.S. Treasury (TIPS) with maturities of at least 1 year and less than 10 years.

The GMO Blended 60/40 Index is an internally maintained benchmark computed by GMO, comprised of 60% MSCI All Country World Index (MSCI Standard Index Series, net of withholding tax) and 40% Barclays U.S. Aggregate Index. 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.

Turnover: During its fiscal year ended February 28, 2018, GMO Benchmark-Free Allocation Series Fund's portfolio turnover rate was 3% of the average value of its portfolio.

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