

SGM MAJOR MARKETS FUND

Year Ending December 31, 2020

OVERVIEW

The GMO SGM Major Markets Fund seeks long-term total return by typically investing in a portfolio of long and short positions in a range of global equity, bond, currency, and commodity markets, primarily by using exchange-traded and over-the-counter futures, forward currency contracts, swaps on commodity indices and index options.

PERFORMANCE (%)

Net of Fees, Class III, USD	+7.48
Gross of Fees, Class III, Local Close, USD	+8.63
FTSE 3-Mo. TBill+++ ¹	+0.58
Value Added	+8.05

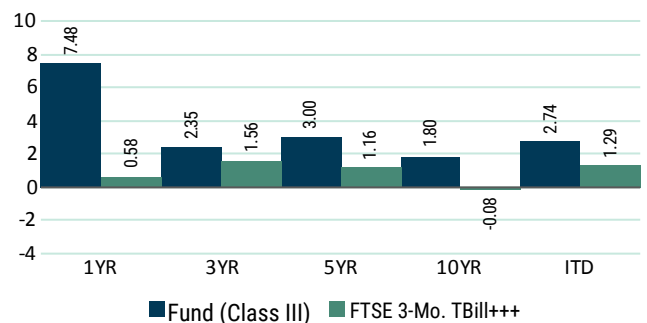
Major Performance Drivers

The portfolio finished the year with a strong return in the final quarter, after successfully navigating the Covid-19 induced sell-off in the first quarter. The portfolio started the year with a positive equity beta, and moved to reduce this swiftly in response to what the team identified as underappreciated risks with the then localized coronavirus outbreak. This repositioning to a net negative beta exposure aided performance as the pandemic developed and broad markets fell precipitously through March. Equity risk was increased in a measured manner throughout the remainder of the year, finishing in positive territory as measured by both net exposure and equity beta. Value added from equity market allocation was partially offset by losses incurred from equity market selection. Gains were enjoyed from a long position in emerging markets, whilst positioning in European markets detracted. Beta timing helped over the period, particularly through March 2020. The returns from positioning within fixed income were slightly negative, whilst returns from currencies were generally positive over the period as the U.S. dollar, held short relative to European currencies amongst others, weakened. Conversely, a short position in higher beta currencies, the Canadian dollar and Australian dollar, detracted. The returns from commodities were strong as the portfolio was able to profit from large swings in many markets over the year on both the long and short side and across energy and metals markets. Standout performers include crude oil and silver.

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 1.06% is equal to the Funds Total Annual Operating Expenses set forth in the Funds most recent prospectus dated June 30, 2020.

Effective October 3, 2011, the fund implemented a new investment strategy and performance from periods prior to that date represents a different investment strategy than the one that the fund is currently pursuing.

ANNUALIZED RETURN (%) AS OF 12/31/2020



Inception date: 04/11/2005

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. Read the prospectus carefully before investing.

Risks associated with investing in the Fund may include Management and Operational Risk, Market Risk-Equities, Currency Risk, Commodities Risk and Futures Contracts 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 FTSE 3-Month Treasury Bill +++ Index is an internally maintained benchmark computed by GMO, comprised of (i) 50% J.P. Morgan U.S. 3 Month Cash Index and 50% Bloomberg Commodity Total Return Index through 10/31/2011 and (ii) FTSE 3-Month Treasury Bill Index thereafter.