

Benchmark-Free Allocation Series Fund

Year Ending December 31, 2019

OVERVIEW:

The GMO Benchmark-Free Allocation Series Fund seeks to generate positive total return, not relative return, by investing the Fund's assets in asset classes GMO believes offer the most attractive return and risk opportunities. GMO uses its multi-year forecasts of returns among asset classes, together with its assessment of the relative risks of such asset classes, to determine the asset classes in which the Fund invests.

Performance (%)

Net of Fees, Class R6, Fair Value, USD	+11.40
Gross of Fees, Class III, Local Close, USD	+12.54
CPI Index ¹	+2.28
Value Added	+10.26

Major Performance Drivers

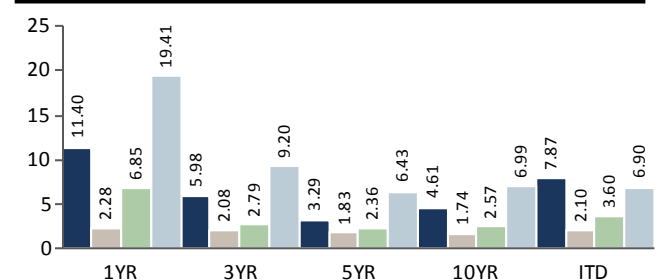
Against the backdrop of sharp gains across broad asset classes, the portfolio delivered strong absolute returns in 2019. Stock and bond markets delivered strong returns as U.S. stocks outperformed non-U.S. stocks, growth beat value globally, and small cap stocks trailed large in the U.S. and emerging markets. In the portfolio, top-down asset allocation was positive, largely driven by strong returns across equity markets. Security selection within both emerging and developed ex-U.S. equities was a strong contributor, while selection in alternatives and fixed income detracted.

- The equity portfolio returned 21.7% for the year, behind the MSCI ACWI return of 26.6%. This underperformance was predominantly down to our bias away from U.S. equities. Security selection was positive and strong returns in our positions in both emerging markets and developed ex-U.S. markets contributed to returns.
- Alternative strategies returned 4.9% on the year, a decent return in an absolute context, but modestly disappointing when compared to the strong returns of equity markets. Special Opportunities was the best performer followed by our allocations to Put Selling, Event-Driven, Fixed Income Absolute Return, and Systematic Global Macro. The U.S. Small Value vs. S&P 500 and EAFE Value (currency hedged) vs. S&P 500 positions detracted.
- The fixed income strategies returned 7.9% for the year, behind the Bloomberg Barclays U.S. Aggregate Index return of 8.7%. Security selection was modestly negative. Emerging Country Debt was our top contributor followed by our TIPS exposure. Our positions in High Yield/Distressed and Asset-Backed securities underperformed their benchmarks.
- Cash/Cash Plus returned 3.1% on the year, beating the 3-month U.S. T-Bill return of 2.3%. The allocation to Cash/Cash Plus had a minimal impact on the portfolio for the year.

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 Class R6 0.99% is equal to the Funds Total Annual Operating Expenses set forth in the Funds most recent prospectus dated June 30, 2019.

The inception date refers to that of the GMO Trust Fund. Class R6 shares were first offered on January 1, 2012. Performance data quoted for each GMO Series Trust Fund reflects the performance data of the corresponding GMO Trust Fund restated to reflect the fees and expenses associated with the GMO Series Fund.

Annualized Return (%) as of December 31, 2019



■ Fund (Class R6) ■ Bloomberg Barclays U.S. Treas Infl Notes: 1-10 Yr
 ■ CPI Index ■ 60% MSCI ACWI 40% Bloomberg Barclays U.S. Aggregate Blend

Inception date: 07/23/2003

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, Non-U.S. Investment Risk, Market Risk-Fixed Income and Derivatives and Short Sales 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.

Each GMO Series Trust Fund is a feeder fund investing substantially all of its assets in shares of a corresponding GMO Trust Fund (i.e., a master fund). Each Series Trust Fund's sole portfolio holding, other than cash, is shares of the corresponding Trust Fund.

¹ The CPI (Consumer Price Index) for All Urban Consumers US 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. CPI Index returns are updated on the 15th of the month and may or may not be current.