

Global Asset Allocation Series Fund

Year Ending December 31, 2019

OVERVIEW:

The GMO Global Asset Allocation Series Fund seeks total return greater than that of its benchmark, the GMO Global Asset Allocation Index, an internally maintained index computed by GMO consisting of 65% MSCI ACWI and 35% Bloomberg Barclays U.S. Aggregate Index.

Performance (%)

Net of Fees, Class R6, Fair Value, USD	+17.46
Gross of Fees, Class III, Local Close, USD	+18.31
GMO Global Asset Allocation Index ¹	+20.31
Value Added	-2.00

Major Performance Drivers

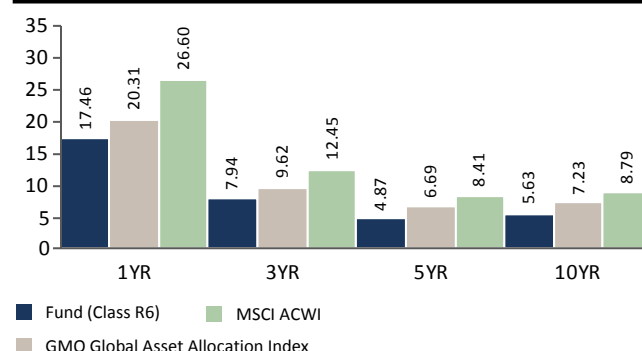
Against the backdrop of sharp gains across broad asset classes, the portfolio delivered strong absolute returns in 2019 but underperformed its benchmark the Global Asset Allocation Index (an internally maintained index comprised of 65% MSCI ACWI and 35% Bloomberg Barclays U.S. Aggregate Index). Stock 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 negative, largely driven by our underweight to equities and our positioning within equity markets. Security selection within both emerging and developed ex-U.S. equities was a strong contributor, while selection in alternatives detracted.

- The equity portfolio returned 25.9% for the year, behind the MSCI ACWI return of 26.6%. This underperformance was predominantly down to our underweight in U.S. equities and our bias to emerging markets equities. Security selection was positive and strong relative returns in our positions in Emerging Markets and Developed ex-U.S. equities contributed to returns.
- Alternative strategies returned 6.1% on the year, a good return in an absolute context, but modestly disappointing when compared to the strong returns of equity markets. Put Selling, Systematic Global Macro, Alternative Allocation, and Fixed Income Absolute Return all enjoyed positive returns while Alpha Only detracted.
- The fixed income strategies returned 9.8% for the year, beating the Bloomberg Barclays U.S. Aggregate Index return of 8.7%. Security selection was positive on the year. Core Plus Bond was our top contributor and our exposures to both TIPS and Emerging Country Debt also added to relative performance. Our position in and Asset-Backed securities underperformed and detracted from relative performance.
- Cash/Cash Plus returned 2.2% on the year, slightly behind the 3-month U.S. T-Bill return of 2.3%. The allocation to Cash/Cash Plus had a small negative impact on the relative returns of 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 0.63% 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



Inception date: 06/28/2002

Includes purchase premiums and redemption fees impact if applicable.

Global Asset Allocation Series Fund

Year Ending December 31, 2019

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 GMO Global Asset Allocation Index is an internally maintained benchmark computed by GMO, comprised of (i) the MSCI ACWI (All Country World) Index (MSCI Standard Index Series, net of withholding tax) through 6/28/2002 and (ii) the GMO Global Asset Allocation (Blend) Index thereafter. 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.