

Global Equity Allocation Series Fund

Year Ending December 31, 2018

OVERVIEW:

The GMO Global Equity Allocation Series Fund seeks total return greater than that of the MSCI All Country World Index. The Fund uses multi-year forecasts of returns among asset classes to build a portfolio that primarily provides exposure to non-U.S. and U.S. equity markets.

Performance (%)

Net of Fees, Class R6, Fair Value, USD	-13.10
Gross of Fees, Class III, Local Close, USD	-12.78
MSCI ACWI + ¹	-9.42
Value Added	-3.36

GROUP ALLOCATION: -1.3%

Developed



Emerging



SECURITY SELECTION: -2.1%

Developed



Emerging



Major Performance Drivers

Emerging Markets

Characteristics: Our emerging market positioning emphasizes undervalued stocks within attractively valued countries/sectors.

Positioning: Emerging markets accounted for 25.9% of our total portfolio weight on average during the year.

Results: Our overweight position in emerging markets resulted in a large negative allocation impact as they underperformed the MSCI All Country World Index by just over 5% for the year. Security selection was helpful, however, as it proved to be a decent year for a valuation-driven approach to investing. Strong stock selection in China helped, as did being overweight in Russia. An overweight to Turkey detracted from relative performance.

United States

Characteristics: Our allocation in the US includes stocks that we believe are attractively valued as selected by our quantitative valuation approach.

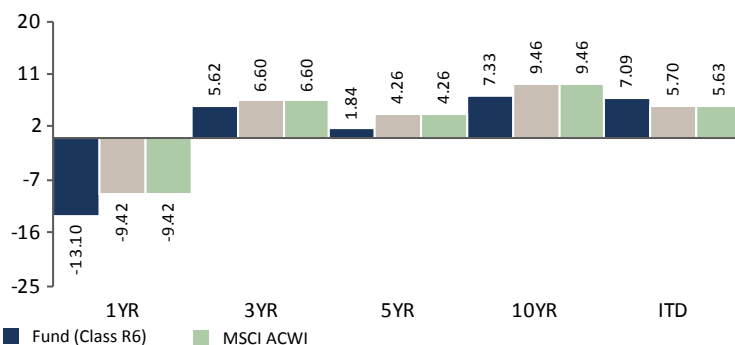
Positioning: We allocated 17.6% of our total portfolio weight on average during the year to US equities.

Results: US equities strongly outperformed the MSCI ACWI, so our underweight position detracted value from relative performance against the benchmark. Our stock selection impact was also negative, hindered by value investing having a terrible year as the Russell 3000 Value Index underperformed the Russell 3000 Growth Index by almost 6.5%. Our zero holding in Amazon was the biggest individual detractor from relative performance at the total portfolio level.

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. Gross Expense Ratio Class R6 0.68% is equal to the Funds Total Annual Operating Expenses set forth in the Funds most recent prospectus dated June 30, 2018.

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, 2018



Inception date: 11/26/1996

Chart returns include purchase premiums and redemption fees impact if applicable.

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High Quality

Characteristics: More than 80% of our position in high quality equity is domiciled in the US, but it is comparatively multinational and carries less cyclical economic exposure than the broad US market.

Positioning: Our allocation to high quality accounted for 17.3% of our total portfolio weight on average during the year.

Results: Our position in high quality had a strong positive allocation impact for the year as the S&P 500 outperformed the MSCI ACWI by 5% for the year (although in aggregate, we remain significantly underweight the US market). Further, high quality outperformed the S&P by an impressive 5.3% for the year. An underweight to Energy and overweight positions in Information Technology and Health Care, along with excellent stock selection within Health Care were some of the key drivers of the strong performance.

Europe

Characteristics: Our position in Europe carries a fair amount of exposure to some of the more cyclically exposed segments of the market.

Positioning: Europe accounted for 24.5% of our total portfolio weight on average during the year.

Results: From a top-down allocation perspective, our overweight position in European stocks had a negative impact on relative performance during the year as MSCI Europe performed significantly worse than MSCI ACWI. Stock selection also had a negative impact on relative performance, driven by France, Sweden and the UK.

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 Market Risk - Equities, Management and Operational Risk, Non-U.S. Investment Risk, Liquidity Risk, and Derivatives Risk. For a more complete discussion of these risks and others, please consult the Fund's prospectus. Distributor: 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 MSCI ACWI (All Country World) + Index is an internally maintained benchmark computed by GMO, comprised of (i) the GMO Global Equity Index, an internally maintained benchmark computed by GMO, comprised of 75% S&P 500 Index and 25% MSCI ACWI ex-U.S. Index (MSCI Standard Index Series, net of withholding tax) through 5/31/2008 and (ii) the MSCI ACWI Index (MSCI Standard Index Series, net of withholding tax) thereafter. S&P does not guarantee the accuracy, adequacy, completeness or availability of any data or information and is not responsible for any errors or omissions from the use of such data or information. Reproduction of the data or information in any form is prohibited except with the prior written permission of S&P or its third party licensors. 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.