

SGM Major Markets Fund

Quarter Ending December 31, 2019

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 non-U.S. exchange contracts, and swaps on commodity indices.

Performance (%)

Net of Fees, Class III, USD	-0.04
Gross of Fees, Class III, Local Close, USD	+0.12
FTSE 3-Mo. TBill+++ ¹	+0.46
Value Added	-0.35

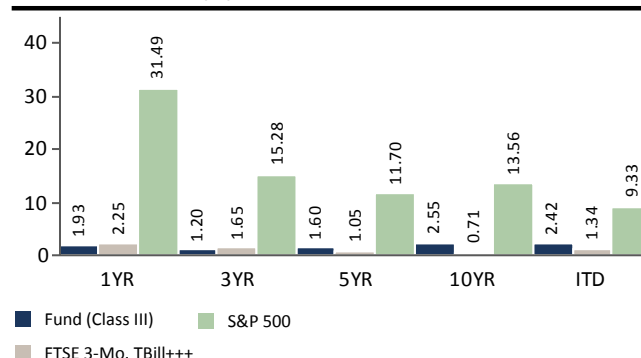
Major Performance Drivers

After a tough start to the quarter, the portfolio posted encouraging returns in both subsequent months. Decent value was added from a net long exposure to equities and positive market selection within fixed income. The continued expectation of easing geopolitical tensions and further support from central banks acted to buoy both risky and safe haven assets higher, with equities and bonds rallying into year end. The portfolio's net long to equities added to performance, whilst a short U.S. position detracted. Interestingly, value continued to outperform their growth counterparts in certain equity markets. Selection within fixed income added value as the positive contribution from short positions more than offset the value long positions detracted. Currencies were mixed given a generally weaker U.S. dollar over the period; short positions in the euro and Swiss franc detracted while long positions in the Canadian dollar contributed.

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 1.04% is equal to the Funds Total Annual Operating Expenses set forth in the Funds most recent prospectus dated June 30, 2019.

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 December 31, 2019



Inception date: 04/11/2005

Includes purchase premiums and redemption fees impact if applicable.

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.