

GMO TRUST

Amended and Restated Supplement dated February 3, 2016 to the GMO Trust Multi-Class Prospectus, dated June 30, 2015

This supplement amends and restates all prior supplements to the GMO Trust Multi-Class Prospectus, dated June 30, 2015.

Amendments Dated February 3, 2016

GMO Emerging Country Debt Fund

Thomas Cooper and Tina Vandersteel serve as Senior Members and Co-Heads of the Emerging Country Debt Team of Grantham, Mayo, Van Otterloo & Co. LLC (“GMO”), investment adviser to GMO Emerging Country Debt Fund (“ECDF”).

As part of a transition plan, Mr. Cooper will be reducing his involvement in the day-to-day management of ECDF over the coming months. Mr. Cooper will remain involved in the management of ECDF’s portfolio through his retirement on September 30, 2016. Thereafter, Ms. Vandersteel will be the sole Senior Member and Head of the Emerging Country Debt Team. All references to the “Senior Members” of the Emerging Country Debt Team in the Prospectus are amended, and a footnote to the table below under “Management of the Trust” has been added, to reflect the foregoing.

Effective February 1, 2016, ECDF charges a purchase premium of 0.75% of the amount invested and a redemption fee of 0.75% of the amount redeemed. The section captioned “Shareholder fees” on page 100 of the Prospectus is replaced with the following:

Shareholder fees

(fees paid directly from your investment)

	Class III	Class IV
Purchase premium (as a percentage of amount invested)	0.75%	0.75%
Redemption fee (as a percentage of amount redeemed)	0.75%	0.75%

In addition, the section captioned “Example” on page 100 is replaced with the following:

Example

This example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. The example assumes that you invest \$10,000 in the Fund for the time periods indicated. The example also assumes that your investment has a 5% return each year and that the Fund’s operating expenses remain the same as those shown in the table. The one year amounts shown reflect the expense waiver noted in the expense table. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

	If you sell your shares				If you do not sell your shares			
	1 Year	3 Years	5 Years	10 Years	1 Year	3 Years	5 Years	10 Years
Class III	\$210	\$340	\$482	\$897	\$132	\$255	\$390	\$782
Class IV	\$205	\$324	\$455	\$837	\$127	\$239	\$363	\$722

All Prior Amendments

GMO Benchmark-Free Bond Fund

The Board of Trustees of GMO Trust (the “Board”) approved the liquidation and termination of GMO Benchmark-Free Bond Fund (“BFBF”). BFBF was liquidated on December 16, 2015. All references to BFBF in the Prospectus are amended to reflect the foregoing.

GMO International Bond Fund

The Board approved the liquidation and termination of GMO International Bond Fund (“IBF”). IBF was liquidated on September 30, 2015. All references to IBF in the Prospectus are amended to reflect the foregoing.

GMO Benchmark-Free Fund

Effective as of September 30, 2015 (the “Effective Date”), rather than as discussed in the Prospectus and Statement of Additional Information, GMO Benchmark-Free Fund (“BFF”) intends to make direct investments and intends to gain exposures through a wholly-owned Bermuda subsidiary. As a result of these changes, BFF will be exposed directly to the risks to which it would otherwise have been exposed indirectly. BFF will not invest in GMO GAAR Implementation Fund (“GIF”) and therefore all references in the Prospectus to BFF’s investments through GIF are amended to reflect the foregoing.

Fees and Expenses

Effective as of the Effective Date, footnote 2 to the table captioned “Annual Fund operating expenses” on page 117 of the Prospectus is replaced with the following:

² Grantham, Mayo, Van Otterloo & Co. LLC (“GMO”) has contractually agreed to reimburse the Fund for the following expenses: audit expenses, fund accounting expenses, pricing service expenses, expenses of non-investment related tax services, transfer agency expenses, expenses of non-investment related legal services provided to the Fund by or at the direction of GMO, federal securities law filing expenses, printing expenses, state and federal registration fees, and the Fund’s direct non-emerging market custody expenses. This reimbursement will continue through at least June 30, 2016, and may not be terminated prior to this date without the action or consent of the Fund’s Board of Trustees.

In connection with the foregoing, effective as of the Effective Date, the following sentence is added to the end of the second paragraph of the sub-section captioned “Expense Reimbursement” on page 166 of the Prospectus: “In the case of Benchmark-Free Fund, ‘Specified Operating Expenses’ does not include the Fund’s direct custody expenses from emerging markets.”

Description of Principal Risks

In the sub-section captioned “Management and Operational Risk” on pages 160-161 of the Prospectus, the second paragraph is replaced with the following:

As described in the Fund summaries, for some Funds, GMO uses quantitative analyses and models as part of its investment process. GMO’s models support portfolio decisions but are not necessarily predictive of future market events. These analyses and models also make simplifying assumptions that may limit their effectiveness. The data available and utilized for analysis or manipulation by the models is subject to limitations (e.g. inaccuracies, staleness). Any of those assumptions and/or limitations could adversely affect a Fund’s performance. The Funds also run the risk that GMO’s assessment of an investment may be wrong.

GMO relies more heavily on quantitative models in making investment decisions for GMO SGM Major Markets Fund, a GMO Fund not offered by this Prospectus. The usefulness of those models may be diminished by the faulty incorporation of mathematical models into computer code, by reliance on proprietary and third-party technology that may include bugs or viruses, and by the retrieval of imperfect data for processing by the model. These aspects are present in the ordinary course of business and are more likely to occur at times of rapidly changing models. Any of these aspects could adversely affect GMO SGM Major Markets Fund’s performance.

In addition, the description of “Management and Operational Risk” included in the “Principal risks of investing in the Fund” section of each Fund’s Fund Summary in the Prospectus is amended to reflect the foregoing.

Management of the Trust

Effective as of October 1, 2015, the tables on pages 163-165 of the Prospectus that identify the different Investment Teams of GMO primarily responsible for managing the portfolios of different Funds and the Senior Member(s) of GMO's Investment Teams who are primarily responsible for providing investment management services to the Funds, are replaced with the following:

Investment Team	Primary Responsibilities
Asset Allocation	Asset Allocation Funds, Alpha Only Fund, Implementation Fund, and Special Opportunities Fund <i>High-level investment oversight:</i> Developed World Stock Fund, Tax-Managed International Equities Fund, International Equity Fund, International Large/Mid Cap Equity Fund, International Small Companies Fund, and U.S. Equity Allocation Fund
Global Equity	Developed World Stock Fund, Tax-Managed International Equities Fund, International Equity Fund, International Large/Mid Cap Equity Fund, International Small Companies Fund, U.S. Equity Allocation Fund, and Risk Premium Fund
Focused Equity	Quality Fund and Resources Fund
International Active	Global Focused Equity Fund, Foreign Fund, and Foreign Small Companies Fund
Emerging Markets Equity	Emerging Markets Fund, Emerging Countries Fund, Emerging Domestic Opportunities Fund, and Taiwan Fund
Developed Fixed Income	Bond Funds (except Emerging Country Debt Fund)
Emerging Country Debt	Emerging Country Debt Fund

Funds	Senior Member	Title; Business Experience During Past 5 Years
Asset Allocation Funds,* Alpha Only Fund, and Implementation Fund* <i>High-level investment oversight:</i> Developed World Stock Fund, Tax-Managed International Equities Fund, International Equity Fund, International Large/Mid Cap Equity Fund, International Small Companies Fund, and U.S. Equity Allocation Fund	Ben Inker	Co-Head, Asset Allocation Team and Co-Head, Developed Fixed Income Team, GMO. Mr. Inker has been responsible for overseeing the portfolio management of GMO's asset allocation portfolios since 1996 and of GMO's developed fixed income portfolios since November 2014.
	Sam Wilderman	Co-Head, Asset Allocation Team and Co-Head, Developed Fixed Income Team, GMO. Mr. Wilderman has been responsible for overseeing the portfolio management of GMO's asset allocation portfolios since September 2012 and of GMO's developed fixed income portfolios since November 2014. Previously, Mr. Wilderman was Co-Head of GMO's Global Equity Team from 2009 to September 2012.
Special Opportunities Fund	Ben Inker	See above.
	Sam Wilderman	See above.
	Chris Hudson	Portfolio Manager, Asset Allocation Team, GMO. Mr. Hudson has been responsible for overseeing the portfolio management of certain of GMO's asset allocation portfolios since 2009.

Funds	Senior Member	Title; Business Experience During Past 5 Years
Developed World Stock Fund, Tax-Managed International Equities Fund, International Equity Fund, International Large/Mid Cap Equity Fund, International Small Companies Fund, U.S. Equity Allocation Fund, and Risk Premium Fund	David Cowan	Head, Global Equity Team, GMO. Dr. Cowan has provided research and portfolio management services to GMO's global equity portfolios since 2006 and was Co-Head of the Global Equity Team from 2012 to September 2015.
	Neil Constable	Portfolio Manager, Global Equity Team, GMO. Dr. Constable has been responsible for providing portfolio management and research services to GMO's global equity portfolios since 2006.
	Chris Fortson	Portfolio Manager, Global Equity Team, GMO. Mr. Fortson has been responsible for providing portfolio management and research services to GMO's global equity portfolios since 2009.
Quality Fund	Thomas Hancock	Head, Focused Equity Team, GMO. Dr. Hancock was responsible for overseeing the portfolio management of GMO's international developed market and global equity portfolios beginning in 1998 and was Co-Head of the Global Equity Team from 2009 to September 2015.
	Anthony Hene	Portfolio Manager, Focused Equity Team, GMO. Mr. Hene has been in this role since September 2015. Mr. Hene has been responsible for providing portfolio management and research services for this and other global equity portfolios at GMO since 1995.
Resources Fund	Thomas Hancock	See above.
	Lucas White	Portfolio Manager, Focused Equity Team, GMO. Mr. White has been responsible for providing portfolio management and research services for this and GMO's other Focused Equity portfolios since September 2015. Mr. White previously served in other capacities at GMO, including providing portfolio management for the GMO Quality Strategy, since joining GMO in 2006.
Global Focused Equity Fund	Drew Spangler	Head, International Active Team, GMO. Mr. Spangler has been responsible for overseeing the portfolio management of GMO's international active equity portfolios since May 2011. Previously, Mr. Spangler provided portfolio and research services to GMO's international active equity portfolios since 1994.

Funds	Senior Member	Title; Business Experience During Past 5 Years
	Greg Shell	Portfolio Manager, International Active Team, GMO. Mr. Shell has been responsible for overseeing the portfolio management of this Fund's portfolio since 2013 and providing portfolio management and research services to GMO's international active equity portfolios since 2009. Previously, Mr. Shell was an analyst at Columbia Management.
Foreign Fund Foreign Small Companies Fund	Drew Spangler	See above.
Emerging Markets Fund Emerging Countries Fund Taiwan Fund	Arjun Divecha	Head, Emerging Markets Equity Team, GMO. Mr. Divecha has been responsible for overseeing the portfolio management of GMO's emerging markets equity portfolios since 1993.
	Amit Bhartia	Portfolio Manager, Emerging Markets Equity Team, GMO Singapore. Mr. Bhartia has been responsible for providing portfolio management and research services to this and GMO's other emerging markets equity portfolios since 1995 and has overseen the portfolio management of GMO's emerging domestic opportunity equity portfolios since 2011.
	Warren Chiang	Portfolio Manager, Emerging Markets Equity Team, GMO. Mr. Chiang has been responsible for overseeing the portfolio management of these emerging markets equity portfolios since June 2015. Previously, Mr. Chiang was Managing Director, Head of Active Equity Strategies at Mellon Capital Management.
Emerging Domestic Opportunities Fund	Arjun Divecha	See above.
	Amit Bhartia	See above.
Bond Funds (except Debt Opportunities Fund and Emerging Country Debt Fund)	Ben Inker	See above.
	Sam Wilderman	See above.
	Michael Emanuel	Portfolio Manager, Developed Fixed Income Team, GMO. Mr. Emanuel has been responsible for providing portfolio management services to GMO's developed fixed income portfolios since 2014. Previously, Mr. Emanuel was a portfolio manager at Convexity Capital Management.
	Greg Jones	Portfolio Manager, Developed Fixed Income Team, GMO. Dr. Jones has been responsible for providing portfolio management and research services to GMO's developed fixed income portfolios since 2008.
Debt Opportunities Fund	Ben Inker	See above.
	Sam Wilderman	See above.
	Joe Auth	Portfolio Manager, Developed Fixed Income Team, GMO. Mr. Auth has been responsible for providing portfolio management services to GMO's structured credit portfolios since 2014. Previously, Mr. Auth was a portfolio manager at Harvard Management Company.
Emerging Country Debt Fund**	Thomas Cooper	Co-Head, Emerging Country Debt Team, GMO. Mr. Cooper has been responsible for overseeing the portfolio management of GMO's emerging country debt portfolios since 1994.

Funds	Senior Member	Title; Business Experience During Past 5 Years
	Tina Vandersteel	Co-Head, Emerging Country Debt Team, GMO. Ms. Vandersteel has been in this role since October 2015. Ms. Vandersteel has been responsible for providing research and portfolio management services for this and other emerging debt portfolios at GMO since 2004.

** For Benchmark-Free Fund and Implementation Fund, allocations among asset classes are made by the Asset Allocation Team and specific security selections are made primarily by other Investment Teams in collaboration with the Asset Allocation Team. For example, the Global Equity Team selects equity securities within Implementation Fund.*

**** As noted above, following Mr. Cooper's retirement on September 30, 2016, Ms. Vandersteel will be the sole Senior Member and Head of the Emerging Country Debt Team.**

In addition, effective as of October 1, 2015, the "Investment Team," the individual(s) identified as "Senior Members," and the Senior Members' titles in the "Management of the Fund" section of each Fund's Fund Summary in the Prospectus are amended to reflect the foregoing.

In addition, the sub-section captioned "Additional Information" on page 166 of the Prospectus is amended to include the following:

The Trust's Amended and Restated Agreement and Declaration of Trust, as amended (the "Declaration"), provides that shareholders shall not have the right to bring or enforce certain types of claims except as provided in the Trust's by-laws or expressly provided by law and not permitted to be waived. The Trust's Amended and Restated By-Laws (the "By-Laws") provide that no shareholder shall have the right to bring or maintain any court action or other proceeding asserting a derivative claim (as defined in the By-Laws) without first making a written demand on the Trustees, and that any decision by the Trustees in such matters is binding on all shareholders. The By-Laws further provide that the laws of Massachusetts shall govern the operations of the Trust and that, absent the consent of all parties, the sole and exclusive forum for many types of claims involving the Trust shall be the federal courts sitting within the City of Boston or the Business Litigation Session of the Massachusetts Superior Court. Please see the SAI for additional information regarding the provisions of the Declaration and By-Laws. Copies of the Trust's Declaration and By-Laws, as amended from time to time, have been filed with the SEC as exhibits to the Trust's registration statement, and are available on the EDGAR database on the SEC's website at www.sec.gov.

Determination of Net Asset Value

The bullet point on page 167 that describes how the value of the Funds' investments in fixed income securities is generally determined is replaced with the following:

Fixed income securities (includes bonds, loans, loan participations, asset-backed securities, and other structured notes):

- Most recent price supplied by a single pricing source chosen by GMO (if a reliable updated price for a fixed income security is not available by the time that a Fund calculates its NAV on any business day, the Fund will generally use the most recent reliable price to value that security)

Note: Reliable prices, including reliable quoted prices, may not always be available. When they are not available, the Funds may use alternative valuation methodologies (e.g., valuing the relevant assets at "fair value" as described below).

In addition, the following is added as a new paragraph immediately following the paragraph beginning "'Quoted price' typically means the bid price for securities held long and the ask price for securities sold short." on page 167 of the Prospectus:

In the case of derivatives, prices determined by a model may reflect an estimate of the average of bid and ask prices, regardless of whether a Fund has a long position or a short position.

Distributions and Taxes

The nineteenth bullet, which appears on page 179 of the Prospectus, is replaced with the following:

- In general, in order to qualify as a RIC, a Fund must, among other things, derive at least 90% of its gross income from certain specified sources ("qualifying income"). Each of Benchmark-Free Fund,

Implementation Fund, and Special Opportunities Fund generally should be entitled to treat income that it recognizes from its respective investments in a wholly-owned foreign subsidiary as qualifying income. There is a risk, however, that the IRS could determine that some or all of the gross income derived from investments in one or more of these foreign subsidiaries is not qualifying income, which might adversely affect a Fund's ability to qualify as a RIC under the Code.

In addition, the twenty-first bullet, which appears on page 180 of the Prospectus, is replaced with the following:

- It is possible that withholding taxes will apply to certain categories of the U.S.-source income of the wholly-owned foreign subsidiaries of Benchmark-Free Fund, Implementation Fund, and Special Opportunities Fund (each, a "parent fund"). It is expected that: (i) all the net income and gain from the investments of each such foreign subsidiary will be includible in its parent fund's net investment income at the end of such subsidiary's taxable year as so-called "subpart F income"; and (ii) all such subpart F income will be treated as ordinary income in the hands of the subsidiary's parent fund. A subsidiary's distributions to its parent fund, including in redemption of subsidiary shares, are generally tax-free to the extent of the subsidiary's subpart F income previously included in its parent fund's income. Each such subsidiary may be required to liquidate investments at disadvantageous times to generate cash needed to make such distributions to its parent fund. Net losses a subsidiary recognizes during a taxable year will not flow through to its parent fund to offset income or gain generated by the parent fund's other investments, or carry forward to subsequent taxable years; this will limit the benefit from those losses.

Investment in Other GMO Funds

The Board has approved the name change of "GMO Systematic Global Macro Opportunity Fund" to "GMO SGM Major Markets Fund" effective December 1, 2015. All references to the Fund in the Prospectus are amended to reflect the foregoing.

In addition, the first six paragraphs in the description of the Fund beginning on page 218 of the Prospectus are replaced with the following:

GMO SGM Major Markets Fund. GMO SGM Major Markets Fund ("SGM"), a series of the Trust, is not offered by this Prospectus. SGM is managed by GMO.

SGM pays an investment management fee to GMO at the annual rate of 0.85% of SGM's average daily net assets for each class of shares. SGM offers Class III, Class IV and Class VI shares, which pay shareholder service fees to GMO at the annual rate of 0.15%, 0.10% and 0.055%, respectively, of the class's average daily net assets. GMO (and not SGM) will pay a sub-advisory fee to GMO Singapore for services provided to SGM pursuant to a sub-advisory agreement at a rate equal to 5% of the management fees received by GMO under SGM's investment management contract, net of any fee waiver or expense reimbursement obligations of GMO as may be in effect.

SGM's investment objective is long-term total return.

SGM typically invests in a range of global equity, bond, currency, and commodity markets using exchange-traded futures and forward non-U.S. exchange contracts, as well as making other investments. SGM seeks to take advantage of GMO's proprietary investment models for global tactical asset allocation and equity, bond, currency, and commodity market selection.

SGM normally invests assets not held as margin for futures or forward transactions or paid as option premiums in cash directly (i.e., Treasury Bills) or money market funds. SGM also may invest in U.S. and non-U.S. fixed income securities of any credit quality, maturity or duration and in shares of other GMO Funds, including U.S. Treasury Fund.

GMO's models for this systematic process are based on the following strategies:

- *Value-Based Strategies.* Value factors compare the price of an asset class or market to an economic fundamental value. Generally, value strategies include yield analysis and mean reversion analysis.
- *Sentiment-Based Strategies.* Generally, sentiment-based strategies assess factors such as risk aversion, analyst behavior, and momentum.

In implementing SGM's investment strategy, GMO seeks to take risk positions that, in GMO's view, are proportionate to the return opportunities. As a result, during time periods when GMO believes the return opportunities are low relative to the risks involved, SGM may take less risk (or no risk) relative to SGM's benchmark.

Multi-Asset Class Funds

- Benchmark-Free Allocation Fund
Class III: GBMFEX Class IV: GBMBX
Class MF: —
- Global Asset Allocation Fund
Class III: GMWAX

Equity Funds

- Global Equity Allocation Fund
Class III: GMGEX
- Global Developed Equity Allocation Fund
Class III: GWOAX
- Developed World Stock Fund
Class III: GDWTX Class IV: GDWFX
- Global Focused Equity Fund
Class III: GGFEX Class IV: —
- International Equity Allocation Fund
Class III: GIEAX
- International Developed Equity Allocation Fund
Class III: GIOTX
- Tax-Managed International Equities Fund
Class III: GTMIX
- International Equity Fund
Class II: GMICX Class III: GMOIX
Class IV: GMEFX
- International Large/Mid Cap Equity Fund
Class III: GMIEX Class IV: GMIRX
Class VI: GCEFX
- Foreign Fund
Class II: GMFRX Class III: GMOFX
Class IV: GMFFX
- Foreign Small Companies Fund
Class III: GMFSX Class IV: GFSFX
- International Small Companies Fund
Class III: GMISX
- U.S. Equity Allocation Fund
Class III: GMUEX Class IV: GMRTX
Class V: GMEQX Class VI: GMCQX
- Emerging Markets Fund
Class II: GMEMX Class III: GMOEX
Class IV: GMEFX Class V: GEMVX
Class VI: GEMMX
- Emerging Countries Fund
Class III: GMCEX
- Emerging Domestic Opportunities Fund
Class II: GEDTX Class III: GEDSX
Class IV: GEDIX Class V: GEDOX
Class VI: GEDFX

Equity Funds continued

- Quality Fund
Class III: GQETX Class IV: GQEFX
Class V: GQLFX Class VI: GQLOX
- Resources Fund
Class III: GOFIX Class IV: GOVIX
Class V: — Class VI: —

Fixed Income Funds

- Benchmark-Free Bond Fund
Class III: GBMTX Class IV: —
Class V: — Class VI: —
- Global Bond Fund
Class III: GMGBX
- International Bond Fund
Class III: GMIBX
- Currency Hedged International Bond Fund
Class III: GMHBX
- Core Plus Bond Fund
Class III: GUGAX Class IV: GPBFX
- Emerging Country Debt Fund
Class III: GMCDX Class IV: GMDFX
- Debt Opportunities Fund
Class III: — Class VI: GMODX

Implementation Funds

- Alpha Only Fund
Class III: GGHEX Class IV: GAPOX
- Asset Allocation Bond Fund
Class III: GMOBX Class VI: GABFX
- Benchmark-Free Fund
Class III: —
- Implementation Fund
Ticker: —
- Risk Premium Fund
Class III: GMRPX Class IV: GMRVX
Class V: — Class VI: GMOKX
- Special Opportunities Fund
Class III: — Class IV: —
Class V: — Class VI: GSOFX
- Strategic Opportunities Allocation Fund
Class III: GBATX
- Taiwan Fund
Class III: GMOTX
- U.S. Treasury Fund
Ticker: GUSTX

Grantham, Mayo, Van Otterloo & Co. LLC

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The Securities and Exchange Commission and the Commodity Futures Trading Commission have not approved or disapproved these securities or passed upon the adequacy of this prospectus. Any representation to the contrary is a criminal offense.

Grantham, Mayo, Van Otterloo & Co. LLC (“GMO”) is not offering or placing interests in the series of GMO Trust set forth above (each, a “Fund,” and collectively, the “Funds”), to or with or otherwise promoting the Funds to any natural or legal persons domiciled or with a registered office in any European Economic Area (“EEA”) Member State where the Alternative Investment Fund Managers Directive (Directive 2011/61/EU) is in force and effect. GMO, in its discretion, may accept any such investor into a Fund, but only if it is satisfied that, by accepting such investor, it would not be in breach of any law, rule, regulation or other legislative or administrative measure in or otherwise applicable to the relevant EEA Member State and such investor is otherwise eligible under the laws of such EEA Member State to invest in the Fund. None of the Funds, GMO, their respective affiliates or any natural or legal person acting on their behalf have been registered with, have been approved by or have made a notification to any EEA Member State, European Union or other regulatory, governmental or similar body with respect to the Funds, and no such body has approved, endorsed, reviewed, acquiesced or taken any similar action with respect to any offering, marketing or other promotional materials relating to the Funds.

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GMO BENCHMARK-FREE ALLOCATION FUND

Investment objective

Positive total return not “relative” return.

Fees and expenses

The tables below describe the fees and expenses that you may bear for each class of shares if you buy and hold shares of the Fund.

Shareholder fees

(fees paid directly from your investment)

	Class III	Class IV	Class MF
Purchase premium (as a percentage of amount invested)	0.18%	0.18%	0.18%
Redemption fee (as a percentage of amount redeemed)	0.18%	0.18%	0.18%

Annual Fund operating expenses

(expenses that you bear each year as a percentage of the value of your investment)

	Class III	Class IV	Class MF
Management fee	0.65% ¹	0.65% ¹	0.65% ¹
Shareholder service fee	0.15% ¹	0.10% ¹	N/A
Supplemental support fee	N/A	N/A	0.10% ^{1,2}
Other expenses	0.01%	0.01%	0.01%
Acquired fund fees and expenses (underlying fund expenses)	0.27% ³	0.27% ³	0.27% ³
Total annual operating expenses	1.08%	1.03%	1.03%
Expense reimbursement/waiver	(0.18%) ¹	(0.18%) ¹	(0.21%) ^{1,2}
Total annual operating expenses after expense reimbursement/waiver (Fund and underlying fund expenses)	0.90%	0.85%	0.82%

¹ Grantham, Mayo, Van Otterloo & Co. LLC (“GMO”) has contractually agreed to reimburse the Fund for the following expenses: audit expenses, fund accounting expenses, pricing service expenses, expenses of non-investment related tax services, transfer agency expenses, expenses of non-investment related legal services provided to the Fund by or at the direction of GMO, federal securities law filing expenses, printing expenses, state and federal registration fees and custody expenses. This reimbursement will continue through at least June 30, 2016, and may not be terminated prior to this date without the action or consent of the Fund’s Board of Trustees. GMO also has contractually agreed to waive or reduce the Fund’s management, shareholder service, and supplemental support fees to the extent necessary to offset the management fees and shareholder service fees paid to GMO that are directly or indirectly borne by the Fund or a class of shares of the Fund as a result of the Fund’s direct or indirect investments in other series of GMO Trust (“GMO Funds”).

² GMO has contractually agreed to reduce the rate of the supplemental support fees charged each month to the Fund’s Class MF shares based on the net assets attributable to Class MF shares as of the last business day of the preceding month based on the following schedule: 0.10% on the first \$6 billion of net assets, 0.05% on the next \$2 billion, 0.03% on the next \$2 billion, and 0.01% thereafter; provided, however, that the effective rate charged at any time will not be reduced to less than 0.06% of Class MF’s average daily net assets. This rate will be calculated before giving effect to any other reduction or waiver. This reduction will continue through at least June 30, 2016, and may not be terminated prior to this date without the action or consent of the Fund’s Board of Trustees.

³ These indirect expenses include interest expense and dividend expenses on short sales that may be incurred by certain underlying funds and also include, to the extent applicable, purchase premiums and redemption fees (“transaction fees”) charged by certain underlying funds. Net fees and expenses of underlying funds (before addition of interest expense, dividend expenses on short sales and transaction fees), indirect interest expense, indirect dividend expenses on short sales and indirect transaction fees were approximately 0.19%, less than 0.01%, 0.05% and 0.03%, respectively.

Example

This example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. The example assumes that you invest \$10,000 in the Fund for the time periods indicated. The example also assumes that your investment has a 5% return each year and that the Fund’s operating expenses remain the same as those shown in the table. The amounts shown reflect applicable expense reimbursements and waivers noted in the expense table. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

	If you sell your shares				If you do not sell your shares			
	1 Year	3 Years	5 Years	10 Years	1 Year	3 Years	5 Years	10 Years
Class III	\$128	\$370	\$630	\$1,375	\$110	\$349	\$608	\$1,348
Class IV	\$123	\$354	\$603	\$1,317	\$105	\$334	\$581	\$1,291
Class MF	\$120	\$351	\$600	\$1,315	\$102	\$331	\$578	\$1,288

Portfolio turnover

The Fund pays transaction costs, such as commissions, when it buys and sells securities. A higher portfolio turnover rate may result in higher transaction costs and, when Fund shares are held in a taxable account, higher taxes. These costs, which are not reflected in Annual Fund operating expenses or in the Example, affect the Fund’s performance. During its fiscal year ended February 28, 2015, the Fund’s portfolio turnover rate (including the accounts of Implementation Fund, and excluding short-term investments) was 84% of the average value of its portfolio.

Principal investment strategies

GMO seeks to achieve the Fund’s investment objective by investing 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 Fund's allocations to various asset classes. An important component of those forecasts is the expectation that valuations ultimately revert to their historical mean (average). The factors considered and investment methods used by GMO can change over time.

The Fund is structured as a fund of funds and gains its investment exposures primarily by investing in Implementation Fund. In addition, the Fund may invest in any other GMO Fund (together with Implementation Fund, the "underlying Funds"), whether now existing or created in the future, including GMO Funds not offered by or described in this Prospectus. These underlying Funds may include, among others, Alpha Only Fund, Debt Opportunities Fund, Emerging Country Debt Fund, Special Opportunities Fund, and GMO Systematic Global Macro Opportunity Fund, a GMO Fund not offered by this Prospectus (see "Additional Information About the Funds' Investment Strategies, Risks, and Expenses — Asset Allocation Funds" and "Investment in Other GMO Funds"). Implementation Fund is permitted to invest in any asset class. The Fund also may invest directly in securities and derivatives.

The Fund seeks annualized excess returns of 5% (net of fees) above the Consumer Price Index and expects annualized volatility of 5-10% over a complete market cycle. GMO does not manage the Fund to, or control the Fund's risk relative to, any securities index or securities benchmark.

The Fund is permitted to invest (directly or through Implementation Fund or other underlying Funds) in any asset class (including, for example, U.S. and non-U.S. equities (including emerging country equities), U.S. and non-U.S. fixed income securities (including emerging country debt securities) and commodities), sector, country, or region, and at times may have substantial exposure to a single asset class, sector, country, or region. In addition, the Fund is not restricted in its exposure to any particular market and may invest in securities of companies of any market capitalization, credit quality, maturity or duration. The Fund may have indirect exposure to derivatives and short sales through its investment in Implementation Fund and the other underlying Funds. GMO's ability to shift investments within Implementation Fund and between it and the other underlying Funds is not subject to any limits.

Prior to January 1, 2012, the Fund served as a principal component of a broader GMO real return strategy that also included a pooled investment vehicle with a cash-like benchmark. Since January 1, 2012, the Fund has been managed as a standalone investment.

The Fund also may invest in U.S. Treasury Fund and in money market funds unaffiliated with GMO.

Principal risks of investing in the Fund

The value of the Fund's shares changes with the value of the Fund's investments. Many factors can affect this value, and you may lose money by investing in the Fund. References to investments include those held directly by the Fund and indirectly through the Fund's investments in the underlying Funds. Some of the underlying Funds are *non-diversified investment companies* under the Investment Company Act of 1940, as amended, and therefore a decline in the market price of a particular security held by those underlying Funds may affect their performance more than if they were diversified investment companies. The principal risks of investing in the Fund are summarized below. For a more complete discussion of these risks, including those risks to which the Fund is exposed as a result of its investments in the underlying Funds, see "Description of Principal Risks."

- **Management and Operational Risk** – The Fund runs the risk that GMO's investment techniques will fail to produce desired results (including the annualized excess returns the Fund seeks above the Consumer Price Index). GMO often uses quantitative analyses and models as part of its investment process. All models support portfolio decisions but are not necessarily predictive of future market events. These analyses and models also make simplifying assumptions that may limit their effectiveness. In addition, there are limitations (e.g., inaccuracies, staleness) on the data available for analysis or manipulation by the models. Any of those assumptions and/or limitations could adversely affect the Fund's performance. The Fund also runs the risk that GMO's assessment of an investment may be wrong or that deficiencies in GMO's or another service provider's internal systems or controls will cause losses for the Fund or impair Fund operations.
- **Market Risk – Equities** – The market prices of equities may decline due to factors affecting the issuing companies, their industries, or the economy and equity markets generally. If an underlying Fund purchases equities for less than their value as determined by GMO, the Fund runs the risk that the market prices of these equities will not appreciate or will decline for a variety of reasons, one of which may be GMO's incorrect assessment of their intrinsic value. An underlying Fund also may purchase equities that typically trade at higher multiples of current earnings than other securities, and the market prices of these equities often are more sensitive to changes in future earnings expectations than the market prices of equities trading at lower multiples. Declines in stock market prices generally are likely to reduce the net asset value of the Fund's shares.
- **Non-U.S. Investment Risk** – The market prices of many non-U.S. securities fluctuate more than those of U.S. securities. Many non-U.S. securities markets are less stable, smaller, less liquid, and less regulated than U.S. securities markets, and the cost of trading in those markets often is higher than in U.S. securities markets. Non-U.S. portfolio transactions generally involve higher commission rates, transfer taxes, and custodial costs than similar transactions in the United States. In addition, the Fund may be subject to non-U.S. taxes, including potentially on a retroactive basis, on (i) capital gains it realizes or dividends, interest, or other amounts it realizes or accrues in respect of non-U.S. investments, (ii) transactions in those investments, and (iii) repatriation of proceeds generated from the sale or other

disposition of those investments. Also, the Fund needs a license to invest directly in many non-U.S. securities markets, and the Fund is subject to the risk that it could not invest if its license were terminated or suspended. In some non-U.S. securities markets, prevailing custody and trade settlement practices (e.g., the requirement to pay for securities prior to receipt) expose the Fund to credit and other risks. Further, adverse changes in investment regulations, capital requirements or exchange controls could adversely affect the value of the Fund's investments. These and other risks (e.g., nationalization, expropriation or other confiscation of assets of non-U.S. issuers) tend to be greater for investments in companies tied economically to emerging countries, the economies of which may be predominantly based on only a few industries or dependent on revenues from particular commodities and which often are more volatile than the economies of developed countries.

- *Market Risk – Fixed Income Investments* – The market price of a fixed income investment can decline due to market-related factors, including rising interest rates and widening credit spreads, or decreased liquidity stemming from the market's uncertainty about the value of a fixed income investment (or class of fixed income investments).
- *Derivatives and Short Sales Risk* – The use of derivatives involves the risk that their value may not change as expected relative to changes in the value of the underlying assets, rates, or indices. Derivatives also present other risks, including market risk, illiquidity risk, currency risk, credit risk, and counterparty risk. The market price of an option is affected by many factors, including changes in the market prices or dividend rates of underlying securities (or in the case of indices, the securities in such indices); the time remaining before expiration; changes in interest rates or exchange rates; and changes in the actual or perceived volatility of the relevant stock market and underlying securities. In addition, the risks of loss associated with derivatives that provide short investment exposure and short sales of securities are theoretically unlimited.
- *Credit Risk* – The Fund runs the risk that the issuer or guarantor of a fixed income investment or the obligor of an obligation underlying an asset-backed security will be unable or unwilling to satisfy its obligation to pay principal and interest or otherwise to honor its obligations in a timely manner. The market price of a fixed income investment will normally decline as a result of the issuer's, guarantor's, or obligor's failure to meet its payment obligations. Below investment grade securities have speculative characteristics, and changes in economic conditions or other circumstances are more likely to impair the ability of issuers of those securities to make principal and interest payments than is the case with issuers of investment grade securities.
- *Smaller Company Risk* – Smaller companies may have limited product lines, markets, or financial resources, may lack the competitive strength of larger companies, may have inexperienced managers or may depend on a few key employees. The securities of companies with smaller market capitalizations often are less widely held and trade less frequently and in lesser quantities, and their market prices often fluctuate more, than the securities of companies with larger market capitalizations.
- *Currency Risk* – Fluctuations in exchange rates can adversely affect the market value of foreign currency holdings and investments denominated in foreign currencies.
- *Fund of Funds Risk* – The Fund is indirectly exposed to all of the risks of an investment in the underlying Funds in which it invests, including the risk that those underlying Funds will not perform as expected.
- *Commodities Risk* – Commodities prices can be extremely volatile, and exposure to commodities can cause the net asset value of the Fund's shares to decline or fluctuate in a rapid and unpredictable manner.
- *Merger Arbitrage Risk* – If the Fund purchases securities in anticipation of a proposed merger, exchange offer, tender offer, or other similar transaction, and that transaction later appears unlikely to be consummated or, in fact, is not consummated or is delayed, the market prices of the securities purchased by the Fund may decline sharply, resulting in losses to the Fund. The risk/reward payout of merger arbitrage strategies typically is asymmetric – the losses in failed transactions often far exceeding the gains in successful transactions. Merger arbitrage strategies are subject to the risk of overall market movements, and the Fund may experience losses even if a transaction is consummated.
- *Illiquidity Risk* – Low trading volume, lack of a market maker, large position size, or legal restrictions may limit or prevent the Fund or an underlying Fund from selling particular securities or closing derivative positions at desirable prices.
- *Leveraging Risk* – The use of reverse repurchase agreements and other derivatives and securities lending creates leverage. Leverage increases the Fund's losses when the value of its investments (including derivatives) declines.
- *Counterparty Risk* – The Fund runs the risk that the counterparty to a derivatives contract, a clearing member used by the Fund to hold a cleared derivatives contract, or a borrower of the Fund's securities will be unable or unwilling to make timely settlement payments, return the Fund's margin or otherwise honor its obligations.
- *Market Disruption and Geopolitical Risk* – Geopolitical and other events may disrupt securities markets and adversely affect global economies and markets. Those events, as well as other changes in non-U.S. and U.S. economic and political conditions, could adversely affect the value of the Fund's investments.
- *Market Risk – Asset-Backed Securities* – The market price of fixed income investments with complex structures, such as asset-backed securities, can decline due to a variety of factors, including market uncertainty about their credit quality and the reliability of their

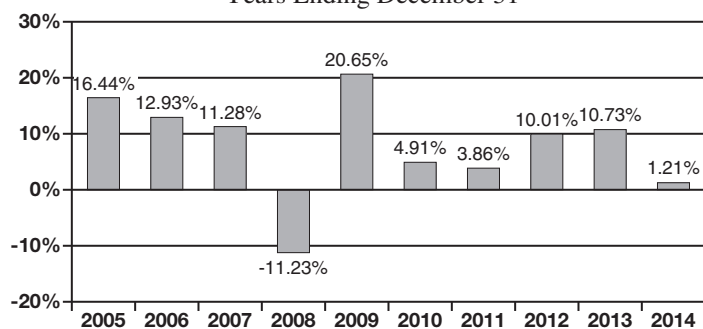
payment streams. Payment streams associated with asset-backed securities held by the Fund depend on many factors (e.g., the cash flow generated by the assets backing the securities, the deal structure, the credit worthiness of any credit-support provider, and the reliability of various other service providers with access to the payment stream), and a problem in any one of these factors can lead to a reduction in the payment stream GMO expected the Fund to receive at the time the Fund purchased the asset-backed security.

- **Focused Investment Risk** – Investments focused in countries, regions, sectors, industries, or issuers that are subject to the same or similar risk factors and investments whose prices are strongly correlated are subject to greater overall risk than investments that are more diversified.
- **Large Shareholder Risk** – To the extent that a large number of shares of the Fund is held by a single shareholder (e.g., an institutional investor), the Fund is subject to the risk that a redemption by that shareholder of all or a large portion of its Fund shares will cause the Fund to sell securities at disadvantageous prices or otherwise will disrupt the Fund's operations.

Performance

The bar chart and table below provide some indication of the risks of investing in the Fund by showing changes in the Fund's annual total returns from year to year for the periods indicated and by comparing the Fund's average annual total returns for different calendar periods with those of the Barclays U.S. Treasury Inflation Notes: 1-10 Year Index and the Consumer Price Index. Purchase premiums and redemption fees are not reflected in the bar chart, but are reflected in the table; as a result, the returns in the table are lower than the returns in the bar chart. Returns in the table reflect current purchase premiums and redemption fees. After-tax returns are calculated using the historical highest individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Actual after-tax returns depend on your tax situation and may differ from those shown. After-tax returns shown are not relevant if you are tax-exempt or if you hold your Fund shares through tax-deferred arrangements (such as a 401(k) plan or individual retirement account). After-tax returns are shown for Class III shares only; after-tax returns for other classes will vary. Updated performance information for the Fund is available at www.gmo.com. Past performance (before and after taxes) is not an indication of future performance.

Annual Total Returns/Class III Shares^a
Years Ending December 31



Highest Quarter: 9.19% (2Q2009)
Lowest Quarter: -6.90% (4Q2008)
Year-to-Date (as of 3/31/15): 1.42%

Average Annual Total Returns
Periods Ending December 31, 2014

	1 Year	5 Years	10 Years	Incept.
Class III^a				7/23/03
Return Before Taxes	0.85%	6.01%	7.69%	9.99%
Return After Taxes on Distributions	-0.60%	5.29%	5.76%	7.95%
Return After Taxes on Distributions and Sale of Fund Shares	1.08%	4.52%	5.65%	7.59%
Barclays U.S. Treasury Inflation Notes: 1-10 Year Index (reflects no deduction for fees, expenses, or taxes)	0.91%	2.78%	3.75%	4.14%
Consumer Price Index (reflects no deduction for fees, expenses, or taxes)	0.67%	1.66%	2.14%	2.22%
Class IV				12/11/12
Return Before Taxes	0.88%	N/A	N/A	6.09%
Barclays U.S. Treasury Inflation Notes: 1-10 Year Index (reflects no deduction for fees, expenses, or taxes)	0.91%	N/A	N/A	-2.59%
Consumer Price Index (reflects no deduction for fees, expenses, or taxes)	0.67%	N/A	N/A	1.08%
Class MF				3/1/12
Return Before Taxes	0.91%	N/A	N/A	5.69%
Barclays U.S. Treasury Inflation Notes: 1-10 Year Index (reflects no deduction for fees, expenses, or taxes)	0.91%	N/A	N/A	-0.56%
Consumer Price Index (reflects no deduction for fees, expenses, or taxes)	0.67%	N/A	N/A	1.17%

^a The returns shown for periods prior to January 1, 2012 are for Class III shares of the Fund under the Fund's prior fee arrangement. Under the Fund's current fee arrangement, the returns for periods prior to January 1, 2012 would have been lower.

GMO BENCHMARK-FREE ALLOCATION FUND

Management of the Fund

Investment Adviser: Grantham, Mayo, Van Otterloo & Co. LLC

Investment Team and Senior Members of GMO primarily responsible for portfolio management of the Fund:

Investment Team	Senior Member (Length of Service with Fund)	Title
Asset Allocation	Ben Inker (since the Fund's inception)	Co-Head, Asset Allocation Team and Co-Head, Developed Fixed Income Team, GMO.
Asset Allocation	Sam Wilderman (since 2012)	Co-Head, Asset Allocation Team and Co-Head, Developed Fixed Income Team, GMO.

Additional information

For important information about purchase and sale of Fund shares, taxes, and financial intermediary compensation, please see "Additional Summary Information About the Funds" on page 144 of this Prospectus.

Investment objective

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% Barclays U.S. Aggregate Index.

Fees and expenses

The tables below describe the fees and expenses that you may bear if you buy and hold shares of the Fund.

Shareholder fees

(fees paid directly from your investment)

	Class III
Purchase premium (as a percentage of amount invested)	0.14%
Redemption fee (as a percentage of amount redeemed)	0.14%

Annual Fund operating expenses

(expenses that you bear each year as a percentage of the value of your investment)

	Class III
Management fee	0.00%
Shareholder service fee	0.00%
Other expenses	0.01%
Acquired fund fees and expenses (underlying fund expenses)	0.55% ¹
Total annual operating expenses	0.56%
Expense reimbursement	(0.01%) ²
Total annual operating expenses after expense reimbursement (Fund and underlying fund expenses)	0.55%

¹ These indirect expenses include interest expense that may be incurred by certain underlying funds and also include, to the extent applicable, purchase premiums and redemption fees ("transaction fees") charged by certain underlying funds. Net fees and expenses of underlying funds (before addition of interest expense and transaction fees), indirect interest expense, and indirect transaction fees were approximately 0.50%, less than 0.01%, and 0.05%, respectively.

² Grantham, Mayo, Van Otterloo & Co. LLC ("GMO") has contractually agreed to reimburse the Fund for the following expenses: audit expenses, fund accounting expenses, pricing service expenses, expenses of non-investment related tax services, transfer agency expenses, expenses of non-investment related legal services provided to the Fund by or at the direction of GMO, federal securities law filing expenses, printing expenses, state and federal registration fees and custody expenses. This reimbursement will continue through at least June 30, 2016, and may not be terminated prior to this date without the action or consent of the Fund's Board of Trustees.

Example

This example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. The example assumes that you invest \$10,000 in the Fund for the time periods indicated. The example also assumes that your investment has a 5% return each year and that the Fund's operating expenses remain the same as those shown in the table. The one year amounts shown reflect the expense reimbursement noted in the expense table. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

	If you sell your shares				If you do not sell your shares			
	1 Year	3 Years	5 Years	10 Years	1 Year	3 Years	5 Years	10 Years
Class III	\$85	\$215	\$356	\$769	\$70	\$199	\$339	\$747

Portfolio turnover

The Fund pays transaction costs, such as commissions, when it buys and sells securities. A higher portfolio turnover rate may result in higher transaction costs and, when Fund shares are held in a taxable account, higher taxes. These costs, which are not reflected in Annual Fund operating expenses or in the Example, affect the Fund's performance. During its fiscal year ended February 28, 2015, the Fund's portfolio turnover rate (excluding short-term investments) was 38% of the average value of its portfolio.

Principal investment strategies

The Fund is a fund of funds and invests primarily in shares of other series of GMO Trust (collectively, the "underlying Funds"), which may include the Equity Funds, the Fixed Income Funds, and the Implementation Funds, as well as GMO High Quality Short-Duration Bond Fund, GMO Systematic Global Macro Opportunity Fund, and GMO World Opportunity Overlay Fund, each a series of GMO Trust not offered by this Prospectus (see "Additional Information About the Funds' Investment Strategies, Risks, and Expenses — Asset Allocation Funds" and "Investment in Other GMO Funds"). The Fund also may invest directly in securities and derivatives.

The Fund is permitted to invest in any asset class, including, for example, U.S. and non-U.S. equities (including emerging country equities), U.S. and non-U.S. fixed income securities (including emerging country debt securities) and commodities. The term "equities" refers to direct and indirect investments in common and preferred stocks and other stock-related securities, such as convertible securities, depositary receipts, and exchange-traded equity real estate investment trusts (REITs) and income trusts.

GMO uses its multi-year forecasts of returns among asset classes, together with its assessment of the relative risks of such asset classes, to select the underlying Funds in which the Fund invests and to decide how much to invest in each. An important component of those forecasts is the expectation that valuations ultimately revert to their historical mean (average). GMO changes the Fund's holdings of the underlying Funds in response to changes in GMO's investment outlook and market valuations and may use redemptions or purchases of Fund shares to rebalance the Fund's investments. Under normal circumstances, GMO intends to invest not more than 85% of the Fund's assets in the Equity Funds. The factors considered and investment methods used by GMO can change over time.

The Fund also may invest in money market funds unaffiliated with GMO.

Principal risks of investing in the Fund

The value of the Fund's shares changes with the value of the Fund's investments. Many factors can affect this value, and you may lose money by investing in the Fund. References to investments include those held directly by the Fund and indirectly through the Fund's investments in the underlying Funds. Some of the underlying Funds are *non-diversified investment companies* under the Investment Company Act of 1940, as amended, and therefore a decline in the market price of a particular security held by those underlying Funds may affect their performance more than if they were diversified investment companies. The principal risks of investing in the Fund are summarized below. For a more complete discussion of these risks, including those risks to which the Fund is exposed as a result of its investments in the underlying Funds, see "Description of Principal Risks."

- **Market Risk – Equities** – The market prices of equities may decline due to factors affecting the issuing companies, their industries, or the economy and equity markets generally. If an underlying Fund purchases equities for less than their value as determined by GMO, the Fund runs the risk that the market prices of these equities will not appreciate or will decline for a variety of reasons, one of which may be GMO's incorrect assessment of their intrinsic value. An underlying Fund also may purchase equities that typically trade at higher multiples of current earnings than other securities, and the market prices of these equities often are more sensitive to changes in future earnings expectations than the market prices of equities trading at lower multiples. Declines in stock market prices generally are likely to reduce the net asset value of the Fund's shares.
- **Management and Operational Risk** – The Fund runs the risk that GMO's investment techniques will fail to produce desired results. GMO often uses quantitative analyses and models as part of its investment process. All models support portfolio decisions but are not necessarily predictive of future market events. These analyses and models also make simplifying assumptions that may limit their effectiveness. In addition, there are limitations (e.g., inaccuracies, staleness) on the data available for analysis or manipulation by the models. Any of those assumptions and/or limitations could adversely affect the Fund's performance. The Fund also runs the risk that GMO's assessment of an investment may be wrong or that deficiencies in GMO's or another service provider's internal systems or controls will cause losses for the Fund or impair Fund operations.
- **Non-U.S. Investment Risk** – The market prices of many non-U.S. securities fluctuate more than those of U.S. securities. Many non-U.S. securities markets are less stable, smaller, less liquid, and less regulated than U.S. securities markets, and the cost of trading in those markets often is higher than in U.S. securities markets. Non-U.S. portfolio transactions generally involve higher commission rates, transfer taxes, and custodial costs than similar transactions in the United States. In addition, the Fund may be subject to non-U.S. taxes, including potentially on a retroactive basis, on (i) capital gains it realizes or dividends, interest, or other amounts it realizes or accrues in respect of non-U.S. investments, (ii) transactions in those investments, and (iii) repatriation of proceeds generated from the sale or other disposition of those investments. Also, the Fund needs a license to invest directly in many non-U.S. securities markets, and the Fund is subject to the risk that it could not invest if its license were terminated or suspended. In some non-U.S. securities markets, prevailing custody and trade settlement practices (e.g., the requirement to pay for securities prior to receipt) expose the Fund to credit and other risks. Further, adverse changes in investment regulations, capital requirements or exchange controls could adversely affect the value of the Fund's investments. These and other risks (e.g., nationalization, expropriation or other confiscation of assets of non-U.S. issuers) tend to be greater for investments in companies tied economically to emerging countries, the economies of which may be predominantly based on only a few industries or dependent on revenues from particular commodities and which often are more volatile than the economies of developed countries.
- **Market Risk – Fixed Income Investments** – The market price of a fixed income investment can decline due to market-related factors, including rising interest rates and widening credit spreads, or decreased liquidity stemming from the market's uncertainty about the value of a fixed income investment (or class of fixed income investments).
- **Derivatives and Short Sales Risk** – The use of derivatives involves the risk that their value may not change as expected relative to changes in the value of the underlying assets, rates, or indices. Derivatives also present other risks, including market risk, illiquidity risk, currency risk, credit risk, and counterparty risk. The market price of an option is affected by many factors, including changes in the market prices or dividend rates of underlying securities (or in the case of indices, the securities in such indices); the time remaining before expiration; changes in interest rates or exchange rates; and changes in the actual or perceived volatility of the relevant stock market and underlying securities. In addition, the risks of loss associated with derivatives that provide short investment exposure and short sales of securities are theoretically unlimited.

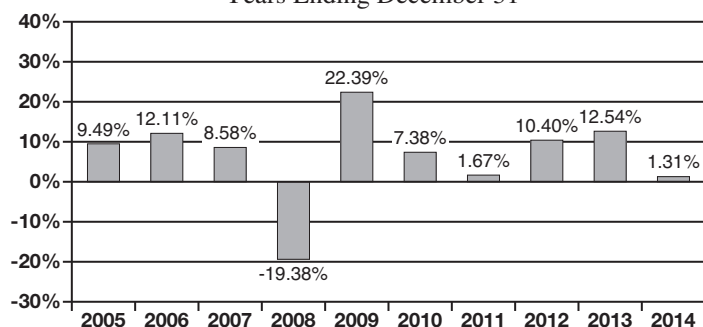
- *Market Risk – Asset-Backed Securities* – The market price of fixed income investments with complex structures, such as asset-backed securities, can decline due to a variety of factors, including market uncertainty about their credit quality and the reliability of their payment streams. Payment streams associated with asset-backed securities held by the Fund depend on many factors (e.g., the cash flow generated by the assets backing the securities, the deal structure, the credit worthiness of any credit-support provider, and the reliability of various other service providers with access to the payment stream), and a problem in any one of these factors can lead to a reduction in the payment stream GMO expected the Fund to receive at the time the Fund purchased the asset-backed security.
- *Fund of Funds Risk* – The Fund is indirectly exposed to all of the risks of an investment in the underlying Funds in which it invests, including the risk that those underlying Funds will not perform as expected. Because the Fund bears the fees and expenses of the underlying Funds in which it invests, a reallocation of the Fund's investments to underlying Funds with higher fees or expenses will increase the Fund's total expenses. The fees and expenses associated with an investment in the Fund are less predictable than those associated with an investment in funds that charge a fixed management fee.
- *Smaller Company Risk* – Smaller companies may have limited product lines, markets, or financial resources, may lack the competitive strength of larger companies, may have inexperienced managers or may depend on a few key employees. The securities of companies with smaller market capitalizations often are less widely held and trade less frequently and in lesser quantities, and their market prices often fluctuate more, than the securities of companies with larger market capitalizations.
- *Commodities Risk* – Commodities prices can be extremely volatile, and exposure to commodities can cause the net asset value of the Fund's shares to decline or fluctuate in a rapid and unpredictable manner.
- *Illiquidity Risk* – Low trading volume, lack of a market maker, large position size, or legal restrictions may limit or prevent the Fund or an underlying Fund from selling particular securities or closing derivative positions at desirable prices.
- *Leveraging Risk* – The use of reverse repurchase agreements and other derivatives and securities lending creates leverage. Leverage increases the Fund's losses when the value of its investments (including derivatives) declines.
- *Large Shareholder Risk* – To the extent that a large number of shares of the Fund is held by a single shareholder (e.g., an institutional investor), the Fund is subject to the risk that a redemption by that shareholder of all or a large portion of its Fund shares will cause the Fund to sell securities at disadvantageous prices or otherwise will disrupt the Fund's operations.
- *Currency Risk* – Fluctuations in exchange rates can adversely affect the market value of foreign currency holdings and investments denominated in foreign currencies.
- *Merger Arbitrage Risk* – If the Fund purchases securities in anticipation of a proposed merger, exchange offer, tender offer, or other similar transaction, and that transaction later appears unlikely to be consummated or, in fact, is not consummated or is delayed, the market prices of the securities purchased by the Fund may decline sharply, resulting in losses to the Fund. The risk/reward payout of merger arbitrage strategies typically is asymmetric – the losses in failed transactions often far exceeding the gains in successful transactions. Merger arbitrage strategies are subject to the risk of overall market movements, and the Fund may experience losses even if a transaction is consummated.
- *Credit Risk* – The Fund runs the risk that the issuer or guarantor of a fixed income investment or the obligor of an obligation underlying an asset-backed security will be unable or unwilling to satisfy its obligation to pay principal and interest or otherwise to honor its obligations in a timely manner. The market price of a fixed income investment will normally decline as a result of the issuer's, guarantor's, or obligor's failure to meet its payment obligations. Below investment grade securities have speculative characteristics, and changes in economic conditions or other circumstances are more likely to impair the ability of issuers of those securities to make principal and interest payments than is the case with issuers of investment grade securities.
- *Counterparty Risk* – The Fund runs the risk that the counterparty to a derivatives contract, a clearing member used by the Fund to hold a cleared derivatives contract, or a borrower of the Fund's securities will be unable or unwilling to make timely settlement payments, return the Fund's margin or otherwise honor its obligations.
- *Market Disruption and Geopolitical Risk* – Geopolitical and other events may disrupt securities markets and adversely affect global economies and markets. Those events, as well as other changes in non-U.S. and U.S. economic and political conditions, could adversely affect the value of the Fund's investments.
- *Focused Investment Risk* – Investments focused in countries, regions, sectors, industries, or issuers that are subject to the same or similar risk factors and investments whose prices are strongly correlated are subject to greater overall risk than investments that are more diversified.

GMO GLOBAL ASSET ALLOCATION FUND

Performance

The bar chart and table below provide some indication of the risks of investing in the Fund by showing changes in the Fund's annual total returns from year to year for the periods indicated and by comparing the Fund's average annual total returns for different calendar periods with those of broad-based indices and the Fund's benchmark (which is a composite index computed by GMO). Purchase premiums and redemption fees are not reflected in the bar chart, but are reflected in the table; as a result, the returns in the table are lower than the returns in the bar chart. Returns in the table reflect current purchase premiums and redemption fees. After-tax returns are calculated using the historical highest individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Actual after-tax returns depend on your tax situation and may differ from those shown. After-tax returns shown are not relevant if you are tax-exempt or if you hold your Fund shares through tax-deferred arrangements (such as a 401(k) plan or individual retirement account). Updated performance information for the Fund is available at www.gmo.com. Past performance (before and after taxes) is not an indication of future performance.

Annual Total Returns/Class III Shares
Years Ending December 31



Highest Quarter: 11.72% (2Q2009)
Lowest Quarter: -9.48% (4Q2008)
Year-to-Date (as of 3/31/15): 1.30%

Average Annual Total Returns*
Periods Ending December 31, 2014

	1 Year	5 Years	10 Years	Incept.
Class III				6/28/96
Return Before Taxes	1.03%	6.50%	6.07%	7.60%
Return After Taxes on Distributions	-1.35%	5.54%	4.49%	5.63%
Return After Taxes on Distributions and Sale of Fund Shares	2.13%	5.01%	4.53%	5.54%
MSCI ACWI (returns reflect no deduction for fees or expenses, but are net of withholding tax on dividend reinvestments)	4.16%	9.17%	6.09%	6.19%
Barclays U.S. Aggregate Index (reflects no deduction for fees, expenses, or taxes)	5.97%	4.45%	4.71%	5.82%
GMO Global Asset Allocation Index (Fund benchmark)	4.87%	7.78%	5.53%	5.52%

* The Fund commenced operations on June 28, 1996 with two classes of shares – Class I shares and Class II shares. No Class II shares were outstanding as of October 16, 1996. Class III shares were first issued on October 22, 1996. Class I shares converted to Class III shares on January 9, 1998. Class III performance information presented in the table represents Class II performance from June 28, 1996 to October 16, 1996, Class I performance from October 16, 1996 to October 21, 1996, and Class III performance thereafter. The performance information (before and after taxes) for all periods prior to June 30, 2002 was achieved prior to the change in the Fund's principal investment strategies, effective June 30, 2002.

Management of the Fund

Investment Adviser: Grantham, Mayo, Van Otterloo & Co. LLC

Investment Team and Senior Members of GMO primarily responsible for portfolio management of the Fund:

Investment Team	Senior Member (Length of Service with Fund)	Title
Asset Allocation	Ben Inker (since the Fund's inception)	Co-Head, Asset Allocation Team and Co-Head, Developed Fixed Income Team, GMO.
Asset Allocation	Sam Wilderman (since 2012)	Co-Head, Asset Allocation Team and Co-Head, Developed Fixed Income Team, GMO.

Additional information

For important information about purchase and sale of Fund shares, taxes, and financial intermediary compensation, please see "Additional Summary Information About the Funds" on page 144 of this Prospectus.

Investment objective

Total return greater than that of its benchmark, the MSCI ACWI.

Fees and expenses

The tables below describe the fees and expenses that you may bear if you buy and hold shares of the Fund.

Shareholder fees

(fees paid directly from your investment)

	Class III
Purchase premium (as a percentage of amount invested)	0.19%
Redemption fee (as a percentage of amount redeemed)	0.19%

Annual Fund operating expenses

(expenses that you bear each year as a percentage of the value of your investment)

	Class III
Management fee	0.00%
Shareholder service fee	0.00%
Other expenses	0.01%
Acquired fund fees and expenses (underlying fund expenses)	0.62% ¹
Total annual operating expenses	0.63%
Expense reimbursement	(0.01%) ²
Total annual operating expenses after expense reimbursement (Fund and underlying fund expenses)	0.62%

¹ These indirect expenses include, to the extent applicable, purchase premiums and redemption fees ("transaction fees") charged by certain underlying funds. Net fees and expenses of underlying funds (before addition of transaction fees) and indirect transaction fees were approximately 0.55% and 0.07%, respectively.

² Grantham, Mayo, Van Otterloo & Co. LLC ("GMO") has contractually agreed to reimburse the Fund for the following expenses: audit expenses, fund accounting expenses, pricing service expenses, expenses of non-investment related tax services, transfer agency expenses, expenses of non-investment related legal services provided to the Fund by or at the direction of GMO, federal securities law filing expenses, printing expenses, state and federal registration fees and custody expenses. This reimbursement will continue through at least June 30, 2016, and may not be terminated prior to this date without the action or consent of the Fund's Board of Trustees.

Example

This example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. The example assumes that you invest \$10,000 in the Fund for the time periods indicated. The example also assumes that your investment has a 5% return each year and that the Fund's operating expenses remain the same as those shown in the table. The one year amounts shown reflect the expense reimbursement noted in the expense table. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

	If you sell your shares				If you do not sell your shares			
	1 Year	3 Years	5 Years	10 Years	1 Year	3 Years	5 Years	10 Years
Class III	\$102	\$247	\$406	\$865	\$82	\$226	\$382	\$836

Portfolio turnover

The Fund pays transaction costs, such as commissions, when it buys and sells securities. A higher portfolio turnover rate may result in higher transaction costs and, when Fund shares are held in a taxable account, higher taxes. These costs, which are not reflected in Annual Fund operating expenses or in the Example, affect the Fund's performance. During its fiscal year ended February 28, 2015, the Fund's portfolio turnover rate (excluding short-term investments) was 21% of the average value of its portfolio.

Principal investment strategies

The Fund is a fund of funds and invests primarily in equities traded in non-U.S. and U.S. markets through shares of the Equity Funds, Alpha Only Fund and Risk Premium Fund (collectively, the "underlying Funds") (see "Additional Information About the Funds' Investment Strategies, Risks, and Expenses — Asset Allocation Funds" and "Investment in Other GMO Funds"). The Fund also may invest directly in securities and derivatives.

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 Fund's allocations to particular underlying Funds. An important component of those forecasts is the expectation that valuations ultimately revert to their historical mean (average). GMO changes the Fund's holdings of the underlying Funds in response to changes in GMO's investment outlook and market valuations and may use redemptions or purchases of Fund shares to rebalance the Fund's investments. The factors considered and investment methods used by GMO can change over time.

Under normal circumstances, the Fund invests (including through investment in the underlying Funds) at least 80% of its assets in equities (see “Name Policies”). The term “equities” refers to direct and indirect (e.g., through the underlying Funds) investments in common and preferred stocks and other stock-related securities, such as convertible securities, depositary receipts, and exchange-traded equity real estate investment trusts (REITs) and income trusts.

The Fund also may invest in U.S. Treasury Fund and in money market funds unaffiliated with GMO.

Principal risks of investing in the Fund

The value of the Fund’s shares changes with the value of the Fund’s investments. Many factors can affect this value, and you may lose money by investing in the Fund. References to investments include those held directly by the Fund and indirectly through the Fund’s investments in the underlying Funds. Some of the underlying Funds are *non-diversified investment companies* under the Investment Company Act of 1940, as amended, and therefore a decline in the market price of a particular security held by those underlying Funds may affect their performance more than if they were diversified investment companies. The principal risks of investing in the Fund are summarized below. For a more complete discussion of these risks, including those risks to which the Fund is exposed as a result of its investments in the underlying Funds, see “Description of Principal Risks.”

- *Market Risk – Equities* – The market prices of equities may decline due to factors affecting the issuing companies, their industries, or the economy and equity markets generally. If an underlying Fund purchases equities for less than their value as determined by GMO, the Fund runs the risk that the market prices of these equities will not appreciate or will decline for a variety of reasons, one of which may be GMO’s incorrect assessment of their intrinsic value. An underlying Fund also may purchase equities that typically trade at higher multiples of current earnings than other securities, and the market prices of these equities often are more sensitive to changes in future earnings expectations than the market prices of equities trading at lower multiples. Declines in stock market prices generally are likely to reduce the net asset value of the Fund’s shares.
- *Management and Operational Risk* – The Fund runs the risk that GMO’s investment techniques will fail to produce desired results. GMO often uses quantitative analyses and models as part of its investment process. All models support portfolio decisions but are not necessarily predictive of future market events. These analyses and models also make simplifying assumptions that may limit their effectiveness. In addition, there are limitations (e.g., inaccuracies, staleness) on the data available for analysis or manipulation by the models. Any of those assumptions and/or limitations could adversely affect the Fund’s performance. The Fund also runs the risk that GMO’s assessment of an investment may be wrong or that deficiencies in GMO’s or another service provider’s internal systems or controls will cause losses for the Fund or impair Fund operations.
- *Non-U.S. Investment Risk* – The market prices of many non-U.S. securities fluctuate more than those of U.S. securities. Many non-U.S. securities markets are less stable, smaller, less liquid, and less regulated than U.S. securities markets, and the cost of trading in those markets often is higher than in U.S. securities markets. Non-U.S. portfolio transactions generally involve higher commission rates, transfer taxes, and custodial costs than similar transactions in the United States. In addition, the Fund may be subject to non-U.S. taxes, including potentially on a retroactive basis, on (i) capital gains it realizes or dividends, interest, or other amounts it realizes or accrues in respect of non-U.S. investments, (ii) transactions in those investments, and (iii) repatriation of proceeds generated from the sale or other disposition of those investments. Also, the Fund needs a license to invest directly in many non-U.S. securities markets, and the Fund is subject to the risk that it could not invest if its license were terminated or suspended. In some non-U.S. securities markets, prevailing custody and trade settlement practices (e.g., the requirement to pay for securities prior to receipt) expose the Fund to credit and other risks. Further, adverse changes in investment regulations, capital requirements or exchange controls could adversely affect the value of the Fund’s investments. These and other risks (e.g., nationalization, expropriation or other confiscation of assets of non-U.S. issuers) tend to be greater for investments in companies tied economically to emerging countries, the economies of which may be predominantly based on only a few industries or dependent on revenues from particular commodities and which often are more volatile than the economies of developed countries.
- *Illiquidity Risk* – Low trading volume, lack of a market maker, large position size, or legal restrictions may limit or prevent the Fund or an underlying Fund from selling particular securities or closing derivative positions at desirable prices.
- *Derivatives and Short Sales Risk* – The use of derivatives involves the risk that their value may not change as expected relative to changes in the value of the underlying assets, rates, or indices. Derivatives also present other risks, including market risk, illiquidity risk, currency risk, credit risk, and counterparty risk. The market price of an option is affected by many factors, including changes in the market prices or dividend rates of underlying securities (or in the case of indices, the securities in such indices); the time remaining before expiration; changes in interest rates or exchange rates; and changes in the actual or perceived volatility of the relevant stock market and underlying securities. In addition, the risks of loss associated with derivatives that provide short investment exposure and short sales of securities are theoretically unlimited.
- *Fund of Funds Risk* – The Fund is indirectly exposed to all of the risks of an investment in the underlying Funds in which it invests, including the risk that those underlying Funds will not perform as expected. Because the Fund bears the fees and expenses of the underlying Funds in which it invests, a reallocation of the Fund’s investments to underlying Funds with higher fees or expenses will

increase the Fund's total expenses. The fees and expenses associated with an investment in the Fund are less predictable than those associated with an investment in funds that charge a fixed management fee.

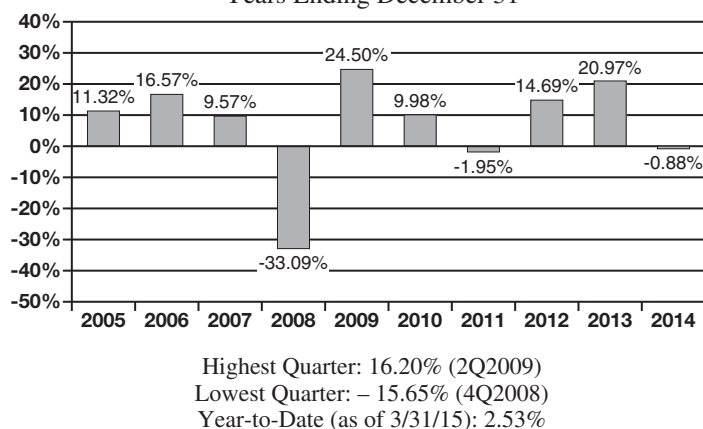
- *Smaller Company Risk* – Smaller companies may have limited product lines, markets, or financial resources, may lack the competitive strength of larger companies, may have inexperienced managers or may depend on a few key employees. The securities of companies with smaller market capitalizations often are less widely held and trade less frequently and in lesser quantities, and their market prices often fluctuate more, than the securities of companies with larger market capitalizations.
- *Currency Risk* – Fluctuations in exchange rates can adversely affect the market value of foreign currency holdings and investments denominated in foreign currencies.
- *Leveraging Risk* – The use of reverse repurchase agreements and other derivatives and securities lending creates leverage. Leverage increases the Fund's losses when the value of its investments (including derivatives) declines.
- *Counterparty Risk* – The Fund runs the risk that the counterparty to a derivatives contract, a clearing member used by the Fund to hold a cleared derivatives contract, or a borrower of the Fund's securities will be unable or unwilling to make timely settlement payments, return the Fund's margin or otherwise honor its obligations.
- *Market Disruption and Geopolitical Risk* – Geopolitical and other events may disrupt securities markets and adversely affect global economies and markets. Those events, as well as other changes in non-U.S. and U.S. economic and political conditions, could adversely affect the value of the Fund's investments.
- *Market Risk – Fixed Income Investments* – The market price of a fixed income investment can decline due to market-related factors, including rising interest rates and widening credit spreads, or decreased liquidity stemming from the market's uncertainty about the value of a fixed income investment (or class of fixed income investments).
- *Credit Risk* – The Fund runs the risk that the issuer or guarantor of a fixed income investment or the obligor of an obligation underlying an asset-backed security will be unable or unwilling to satisfy its obligation to pay principal and interest or otherwise to honor its obligations in a timely manner. The market price of a fixed income investment will normally decline as a result of the issuer's, guarantor's, or obligor's failure to meet its payment obligations. Below investment grade securities have speculative characteristics, and changes in economic conditions or other circumstances are more likely to impair the ability of issuers of those securities to make principal and interest payments than is the case with issuers of investment grade securities.
- *Focused Investment Risk* – Investments focused in countries, regions, sectors, industries, or issuers that are subject to the same or similar risk factors and investments whose prices are strongly correlated are subject to greater overall risk than investments that are more diversified.
- *Market Risk – Asset-Backed Securities* – The market price of fixed income investments with complex structures, such as asset-backed securities, can decline due to a variety of factors, including market uncertainty about their credit quality and the reliability of their payment streams. Payment streams associated with asset-backed securities held by the Fund depend on many factors (e.g., the cash flow generated by the assets backing the securities, the deal structure, the credit worthiness of any credit-support provider, and the reliability of various other service providers with access to the payment stream), and a problem in any one of these factors can lead to a reduction in the payment stream GMO expected the Fund to receive at the time the Fund purchased the asset-backed security.
- *Large Shareholder Risk* – To the extent that a large number of shares of the Fund is held by a single shareholder (e.g., an institutional investor), the Fund is subject to the risk that a redemption by that shareholder of all or a large portion of its Fund shares will cause the Fund to sell securities at disadvantageous prices or otherwise will disrupt the Fund's operations.

GMO GLOBAL EQUITY ALLOCATION FUND

Performance

The bar chart and table below provide some indication of the risks of investing in the Fund by showing changes in the Fund's annual total returns from year to year for the periods indicated and by comparing the Fund's average annual total returns for different calendar periods with those of the Fund's benchmark (which is a broad-based index) and a composite index computed by GMO. Purchase premiums and redemption fees are not reflected in the bar chart, but are reflected in the table; as a result, the returns in the table are lower than the returns in the bar chart. Returns in the table reflect current purchase premiums and redemption fees. After-tax returns are calculated using the historical highest individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Actual after-tax returns depend on your tax situation and may differ from those shown. After-tax returns shown are not relevant if you are tax-exempt or if you hold your Fund shares through tax-deferred arrangements (such as a 401(k) plan or individual retirement account). Updated performance information for the Fund is available at www.gmo.com. Past performance (before and after taxes) is not an indication of future performance.

Annual Total Returns/Class III Shares
Years Ending December 31



Average Annual Total Returns
Periods Ending December 31, 2014

	1 Year	5 Years	10 Years	Incept.
Class III				11/26/96
Return Before Taxes	-1.25%	8.12%	5.76%	8.17%
Return After Taxes on Distributions	-3.59%	6.79%	4.09%	6.02%
Return After Taxes on Distributions and Sale of Fund Shares	1.65%	6.55%	4.72%	6.25%
MSCI ACWI (Fund benchmark) (returns reflect no deduction for fees or expenses, but are net of withholding tax on dividend reinvestments)	4.16%	9.17%	6.09%	5.93%
MSCI ACWI + (Composite index)	4.16%	9.17%	5.18%	6.02%

Management of the Fund

Investment Adviser: Grantham, Mayo, Van Otterloo & Co. LLC

Investment Team and Senior Members of GMO primarily responsible for portfolio management of the Fund:

Investment Team	Senior Member (Length of Service with Fund)	Title
Asset Allocation	Ben Inker (since the Fund's inception)	Co-Head, Asset Allocation Team and Co-Head, Developed Fixed Income Team, GMO.
Asset Allocation	Sam Wilderman (since 2012)	Co-Head, Asset Allocation Team and Co-Head, Developed Fixed Income Team, GMO.

Additional information

For important information about purchase and sale of Fund shares, taxes, and financial intermediary compensation, please see "Additional Summary Information About the Funds" on page 144 of this Prospectus.

Investment objective

Total return greater than that of its benchmark, the MSCI World Index.

Fees and expenses

The tables below describe the fees and expenses that you may bear if you buy and hold shares of the Fund.

Shareholder fees

(fees paid directly from your investment)

	Class III
Purchase premium (as a percentage of amount invested)	0.08%
Redemption fee (as a percentage of amount redeemed)	0.08%

Annual Fund operating expenses

(expenses that you bear each year as a percentage of the value of your investment)

	Class III
Management fee	0.00%
Shareholder service fee	0.00%
Other expenses	0.01%
Acquired fund fees and expenses (underlying fund expenses)	0.56% ¹
Total annual operating expenses	0.57%
Expense reimbursement	(0.01%) ²
Total annual operating expenses after expense reimbursement (Fund and underlying fund expenses)	0.56%

¹ These indirect expenses include, to the extent applicable, purchase premiums and redemption fees ("transaction fees") charged by certain underlying funds. Net fees and expenses of underlying funds (before addition of transaction fees) and indirect transaction fees were approximately 0.54% and 0.02%, respectively.

² Grantham, Mayo, Van Otterloo & Co. LLC ("GMO") has contractually agreed to reimburse the Fund for the following expenses: audit expenses, fund accounting expenses, pricing service expenses, expenses of non-investment related tax services, transfer agency expenses, expenses of non-investment related legal services provided to the Fund by or at the direction of GMO, federal securities law filing expenses, printing expenses, state and federal registration fees and custody expenses. This reimbursement will continue through at least June 30, 2016, and may not be terminated prior to this date without the action or consent of the Fund's Board of Trustees.

Example

This example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. The example assumes that you invest \$10,000 in the Fund for the time periods indicated. The example also assumes that your investment has a 5% return each year and that the Fund's operating expenses remain the same as those shown in the table. The one year amounts shown reflect the expense reimbursement noted in the expense table. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

	If you sell your shares				If you do not sell your shares			
	1 Year	3 Years	5 Years	10 Years	1 Year	3 Years	5 Years	10 Years
Class III	\$74	\$205	\$348	\$766	\$65	\$196	\$339	\$754

Portfolio turnover

The Fund pays transaction costs, such as commissions, when it buys and sells securities. A higher portfolio turnover rate may result in higher transaction costs and, when Fund shares are held in a taxable account, higher taxes. These costs, which are not reflected in Annual Fund operating expenses or in the Example, affect the Fund's performance. During its fiscal year ended February 28, 2015, the Fund's portfolio turnover rate (excluding short-term investments) was 16% of the average value of its portfolio.

Principal investment strategies

The Fund is a fund of funds and invests primarily in equities traded in non-U.S. and U.S. markets through shares of the Equity Funds, Alpha Only Fund and Risk Premium Fund (collectively, the "underlying Funds") (see "Additional Information About the Funds' Investment Strategies, Risks, and Expenses — Asset Allocation Funds" and "Investment in Other GMO Funds"). The Fund also may invest directly in securities and derivatives.

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 Fund's allocations to particular underlying Funds. An important component of those forecasts is the expectation that valuations ultimately revert to their historical mean (average). GMO changes the Fund's holdings of the underlying Funds in response to changes in GMO's investment outlook and market valuations and may use redemptions or purchases of Fund shares to rebalance the Fund's investments. The factors considered and investment methods used by GMO can change over time.

Under normal circumstances, the Fund invests (including through investment in the underlying Funds) at least 80% of its assets in equities (see “Name Policies”). In addition, under normal circumstances, the Fund invests (including through investment in the underlying Funds) at least 80% of its assets in equities tied economically to developed markets (see “Name Policies”). The Fund also may invest in equities in emerging markets, but those investments typically will represent 10% or less of the Fund’s net assets measured at the time of purchase. The term “equities” refers to direct and indirect (e.g., through the underlying Funds) investments in common and preferred stocks and other stock-related securities, such as convertible securities, depositary receipts, and exchange-traded equity real estate investment trusts (REITs) and income trusts. The term “developed markets” means those countries included in the MSCI World Index, a global developed markets equity index, and countries with similar characteristics (e.g., countries that have sustained economic development, sufficient liquidity for listed companies and accessible markets).

The Fund also may invest in U.S. Treasury Fund and in money market funds unaffiliated with GMO.

Principal risks of investing in the Fund

The value of the Fund’s shares changes with the value of the Fund’s investments. Many factors can affect this value, and you may lose money by investing in the Fund. References to investments include those held directly by the Fund and indirectly through the Fund’s investments in the underlying Funds. Some of the underlying Funds are *non-diversified investment companies* under the Investment Company Act of 1940, as amended, and therefore a decline in the market price of a particular security held by those underlying Funds may affect their performance more than if they were diversified investment companies. The principal risks of investing in the Fund are summarized below. For a more complete discussion of these risks, including those risks to which the Fund is exposed as a result of its investments in the underlying Funds, see “Description of Principal Risks.”

- **Market Risk – Equities** – The market prices of equities may decline due to factors affecting the issuing companies, their industries, or the economy and equity markets generally. If an underlying Fund purchases equities for less than their value as determined by GMO, the Fund runs the risk that the market prices of these equities will not appreciate or will decline for a variety of reasons, one of which may be GMO’s incorrect assessment of their intrinsic value. An underlying Fund also may purchase equities that typically trade at higher multiples of current earnings than other securities, and the market prices of these equities often are more sensitive to changes in future earnings expectations than the market prices of equities trading at lower multiples. Declines in stock market prices generally are likely to reduce the net asset value of the Fund’s shares.
- **Management and Operational Risk** – The Fund runs the risk that GMO’s investment techniques will fail to produce desired results. GMO often uses quantitative analyses and models as part of its investment process. All models support portfolio decisions but are not necessarily predictive of future market events. These analyses and models also make simplifying assumptions that may limit their effectiveness. In addition, there are limitations (e.g., inaccuracies, staleness) on the data available for analysis or manipulation by the models. Any of those assumptions and/or limitations could adversely affect the Fund’s performance. The Fund also runs the risk that GMO’s assessment of an investment may be wrong or that deficiencies in GMO’s or another service provider’s internal systems or controls will cause losses for the Fund or impair Fund operations.
- **Non-U.S. Investment Risk** – The market prices of many non-U.S. securities fluctuate more than those of U.S. securities. Many non-U.S. securities markets are less stable, smaller, less liquid, and less regulated than U.S. securities markets, and the cost of trading in those markets often is higher than in U.S. securities markets. Non-U.S. portfolio transactions generally involve higher commission rates, transfer taxes, and custodial costs than similar transactions in the United States. In addition, the Fund may be subject to non-U.S. taxes, including potentially on a retroactive basis, on (i) capital gains it realizes or dividends, interest, or other amounts it realizes or accrues in respect of non-U.S. investments, (ii) transactions in those investments, and (iii) repatriation of proceeds generated from the sale or other disposition of those investments. Also, the Fund needs a license to invest directly in many non-U.S. securities markets, and the Fund is subject to the risk that it could not invest if its license were terminated or suspended. In some non-U.S. securities markets, prevailing custody and trade settlement practices (e.g., the requirement to pay for securities prior to receipt) expose the Fund to credit and other risks. Further, adverse changes in investment regulations, capital requirements or exchange controls could adversely affect the value of the Fund’s investments. These and other risks (e.g., nationalization, expropriation or other confiscation of assets of non-U.S. issuers) tend to be greater for investments in companies tied economically to emerging countries, the economies of which may be predominantly based on only a few industries or dependent on revenues from particular commodities and which often are more volatile than the economies of developed countries.
- **Illiquidity Risk** – Low trading volume, lack of a market maker, large position size, or legal restrictions may limit or prevent the Fund or an underlying Fund from selling particular securities or closing derivative positions at desirable prices.
- **Derivatives and Short Sales Risk** – The use of derivatives involves the risk that their value may not change as expected relative to changes in the value of the underlying assets, rates, or indices. Derivatives also present other risks, including market risk, illiquidity risk, currency risk, credit risk, and counterparty risk. The market price of an option is affected by many factors, including changes in the market prices or dividend rates of underlying securities (or in the case of indices, the securities in such indices); the time remaining before expiration; changes in interest rates or exchange rates; and changes in the actual or perceived volatility of the relevant stock market and underlying securities. In addition, the risks of loss associated with derivatives that provide short investment exposure and short sales of securities are theoretically unlimited.

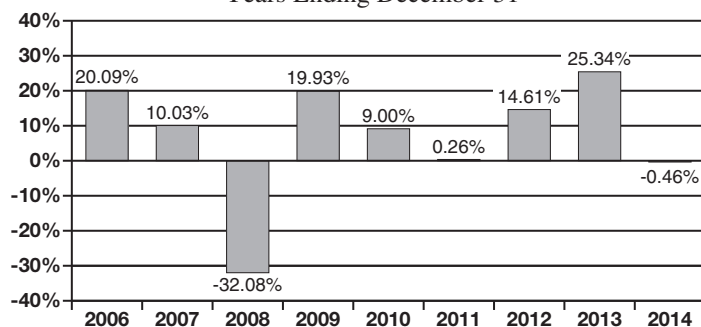
- *Fund of Funds Risk* – The Fund is indirectly exposed to all of the risks of an investment in the underlying Funds in which it invests, including the risk that those underlying Funds will not perform as expected. Because the Fund bears the fees and expenses of the underlying Funds in which it invests, a reallocation of the Fund's investments to underlying Funds with higher fees or expenses will increase the Fund's total expenses. The fees and expenses associated with an investment in the Fund are less predictable than those associated with an investment in funds that charge a fixed management fee.
- *Smaller Company Risk* – Smaller companies may have limited product lines, markets, or financial resources, may lack the competitive strength of larger companies, may have inexperienced managers or may depend on a few key employees. The securities of companies with smaller market capitalizations often are less widely held and trade less frequently and in lesser quantities, and their market prices often fluctuate more, than the securities of companies with larger market capitalizations.
- *Currency Risk* – Fluctuations in exchange rates can adversely affect the market value of foreign currency holdings and investments denominated in foreign currencies.
- *Leveraging Risk* – The use of reverse repurchase agreements and other derivatives and securities lending creates leverage. Leverage increases the Fund's losses when the value of its investments (including derivatives) declines.
- *Counterparty Risk* – The Fund runs the risk that the counterparty to a derivatives contract, a clearing member used by the Fund to hold a cleared derivatives contract, or a borrower of the Fund's securities will be unable or unwilling to make timely settlement payments, return the Fund's margin or otherwise honor its obligations.
- *Market Disruption and Geopolitical Risk* – Geopolitical and other events may disrupt securities markets and adversely affect global economies and markets. Those events, as well as other changes in non-U.S. and U.S. economic and political conditions, could adversely affect the value of the Fund's investments.
- *Market Risk – Fixed Income Investments* – The market price of a fixed income investment can decline due to market-related factors, including rising interest rates and widening credit spreads, or decreased liquidity stemming from the market's uncertainty about the value of a fixed income investment (or class of fixed income investments).
- *Credit Risk* – The Fund runs the risk that the issuer or guarantor of a fixed income investment or the obligor of an obligation underlying an asset-backed security will be unable or unwilling to satisfy its obligation to pay principal and interest or otherwise to honor its obligations in a timely manner. The market price of a fixed income investment will normally decline as a result of the issuer's, guarantor's, or obligor's failure to meet its payment obligations. Below investment grade securities have speculative characteristics, and changes in economic conditions or other circumstances are more likely to impair the ability of issuers of those securities to make principal and interest payments than is the case with issuers of investment grade securities.
- *Focused Investment Risk* – Investments focused in countries, regions, sectors, industries, or issuers that are subject to the same or similar risk factors and investments whose prices are strongly correlated are subject to greater overall risk than investments that are more diversified.
- *Market Risk – Asset-Backed Securities* – The market price of fixed income investments with complex structures, such as asset-backed securities, can decline due to a variety of factors, including market uncertainty about their credit quality and the reliability of their payment streams. Payment streams associated with asset-backed securities held by the Fund depend on many factors (e.g., the cash flow generated by the assets backing the securities, the deal structure, the credit worthiness of any credit-support provider, and the reliability of various other service providers with access to the payment stream), and a problem in any one of these factors can lead to a reduction in the payment stream GMO expected the Fund to receive at the time the Fund purchased the asset-backed security.
- *Large Shareholder Risk* – To the extent that a large number of shares of the Fund is held by a single shareholder (e.g., an institutional investor), the Fund is subject to the risk that a redemption by that shareholder of all or a large portion of its Fund shares will cause the Fund to sell securities at disadvantageous prices or otherwise will disrupt the Fund's operations.

GMO GLOBAL DEVELOPED EQUITY ALLOCATION FUND

Performance

The bar chart and table below provide some indication of the risks of investing in the Fund by showing changes in the Fund's annual total returns from year to year for the periods indicated and by comparing the Fund's average annual total returns for different calendar periods with those of a broad-based index. Purchase premiums and redemption fees are not reflected in the bar chart, but are reflected in the table; as a result, the returns in the table are lower than the returns in the bar chart. Returns in the table reflect current purchase premiums and redemption fees. After-tax returns are calculated using the historical highest individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Actual after-tax returns depend on your tax situation and may differ from those shown. After-tax returns shown are not relevant if you are tax-exempt or if you hold your Fund shares through tax-deferred arrangements (such as a 401(k) plan or individual retirement account). Updated performance information for the Fund is available at www.gmo.com. Past performance (before and after taxes) is not an indication of future performance.

Annual Total Returns/Class III Shares
Years Ending December 31



Highest Quarter: 14.41% (3Q2010)
Lowest Quarter: -15.27% (4Q2008)
Year-to-Date (as of 3/31/15): 2.77%

Average Annual Total Returns
Periods Ending December 31, 2014

	1 Year	5 Years	10 Years	Incept.
Class III				6/16/05
Return Before Taxes	- 0.62%	9.30%	N/A	6.67%
Return After Taxes on Distributions	- 3.29%	8.34%	N/A	5.52%
Return After Taxes on Distributions and Sale of Fund Shares	2.28%	7.48%	N/A	5.40%
MSCI World Index (returns reflect no deduction for fees or expenses, but are net of withholding tax on dividend reinvestments)	4.94%	10.20%	N/A	6.32%

Management of the Fund

Investment Adviser: Grantham, Mayo, Van Otterloo & Co. LLC

Investment Team and Senior Members of GMO primarily responsible for portfolio management of the Fund:

Investment Team	Senior Member (Length of Service with Fund)	Title
Asset Allocation	Ben Inker (since the Fund's inception)	Co-Head, Asset Allocation Team and Co-Head, Developed Fixed Income Team, GMO.
Asset Allocation	Sam Wilderman (since 2012)	Co-Head, Asset Allocation Team and Co-Head, Developed Fixed Income Team, GMO.

Additional information

For important information about purchase and sale of Fund shares, taxes, and financial intermediary compensation, please see "Additional Summary Information About the Funds" on page 144 of this Prospectus.

Investment objective

High total return.

Fees and expenses

The tables below describe the fees and expenses that you may bear for each class of shares if you buy and hold shares of the Fund.

Shareholder fees

(fees paid directly from your investment)

	Class III	Class IV
Purchase premium (as a percentage of amount invested)	0.25% ¹	0.25% ¹
Redemption fee (as a percentage of amount redeemed)	0.25% ¹	0.25% ¹

Annual Fund operating expenses

(expenses that you bear each year as a percentage of the value of your investment)

	Class III	Class IV
Management fee	0.45% ²	0.45% ²
Shareholder service fee	0.15% ²	0.10% ²
Other expenses	0.15%	0.15%
Total annual operating expenses	0.75%	0.70%
Expense reimbursement/waiver	(0.14%) ²	(0.14%) ²
Total annual operating expenses after expense reimbursement/waiver	0.61%	0.56%

¹ An additional purchase premium and redemption fee of 0.005% is charged for any purchases/redemptions (or any portion of a purchase/redemption) effected in a currency other than the U.S. dollar.

² Grantham, Mayo, Van Otterloo & Co. LLC ("GMO") has contractually agreed to reimburse the Fund for the following expenses: audit expenses, fund accounting expenses, pricing service expenses, expenses of non-investment related tax services, transfer agency expenses, expenses of non-investment related legal services provided to the Fund by or at the direction of GMO, federal securities law filing expenses, printing expenses, state and federal registration fees and custody expenses. GMO also has contractually agreed to waive or reduce the Fund's management fees and shareholder service fees to the extent necessary to offset the management fees and shareholder service fees paid to GMO that are directly or indirectly borne by the Fund or a class of shares of the Fund as a result of the Fund's direct or indirect investments in other series of GMO Trust ("GMO Funds"). Management fees and shareholder service fees will not be waived below zero. This reimbursement and waiver will continue through at least June 30, 2016, and may not be terminated prior to this date without the action or consent of the Fund's Board of Trustees.

Example

This example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. The example assumes that you invest \$10,000 in the Fund for the time periods indicated. The example also assumes that your investment has a 5% return each year and that the Fund's operating expenses remain the same as those shown in the table. The one year amounts shown reflect the expense reimbursement and waiver noted in the expense table. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

	If you sell your shares				If you do not sell your shares			
	1 Year	3 Years	5 Years	10 Years	1 Year	3 Years	5 Years	10 Years
Class III	\$113	\$278	\$458	\$978	\$87	\$250	\$427	\$940
Class IV	\$108	\$263	\$431	\$918	\$82	\$234	\$400	\$880

Portfolio turnover

The Fund pays transaction costs, such as commissions, when it buys and sells securities. A higher portfolio turnover rate may result in higher transaction costs and, when Fund shares are held in a taxable account, higher taxes. These costs, which are not reflected in Annual Fund operating expenses or in the Example, affect the Fund's performance. During its fiscal year ended February 28, 2015, the Fund's portfolio turnover rate (excluding short-term investments) was 75% of the average value of its portfolio.

Principal investment strategies

GMO seeks to achieve the Fund's investment objective by investing primarily in a portfolio of stocks that GMO believes will provide a higher return than the MSCI World Index.

GMO selects the stocks the Fund should buy or sell based on its evaluation of companies' published financial information and corporate behavior, securities' prices, equity and bond markets, and the overall economy.

In selecting stocks for the Fund, GMO uses a combination of investment methods to identify stocks that GMO believes have positive return potential relative to other stocks in the Fund's investment universe. Some of these methods evaluate individual stocks or groups of stocks based on the ratio of their price to historical financial information and forecasted financial information, such as book value, cash flow and earnings, and a comparison of these ratios to industry or market averages or to their own history. Other methods focus on patterns of information, such as price movement or volatility of a stock or groups of stocks relative to the Fund's investment universe or corporate behavior of an issuer. GMO also uses its multi-year return forecasts for asset classes and other groups of securities in its investment process and may adjust the Fund's portfolio based on factors such as position size, market capitalization, and exposure to particular industries, sectors, countries, regions, or currencies. At times, the Fund may have substantial exposure to a single asset class, sector, country, or region. The factors considered and investment methods used by GMO can change over time. GMO does not manage the Fund to, or control the Fund's risk relative to, any securities index or securities benchmark.

As an alternative to investing directly in stocks, the Fund may invest in exchange-traded and over-the-counter (OTC) derivatives and exchange-traded funds (ETFs). The Fund also may invest in derivatives and ETFs: (i) in an attempt to reduce investment exposures (which may result in a reduction below zero); (ii) in an attempt to adjust elements of the Fund's investment exposure; and (iii) as a substitute for securities lending. Derivatives used may include futures, options, forward currency contracts, and swap contracts. In addition, the Fund may lend its portfolio securities.

Under normal circumstances, the Fund invests directly and indirectly (e.g., through underlying funds or derivatives) at least 80% of its assets in stocks tied economically to developed markets (see "Name Policies"). The Fund also may invest in stocks in emerging markets, but those investments typically will represent 10% or less of the Fund's net assets measured at the time of purchase. For this purpose, the term "stocks" refers to investments in common and preferred stocks and other stock-related securities, such as convertible securities, depositary receipts, and exchange-traded equity real estate investment trusts (REITs) and income trusts, and the term "developed markets" refers to those countries included in the MSCI World Index, a global developed markets equity index, and countries with similar characteristics (e.g., countries that have sustained economic development, sufficient liquidity for listed companies and accessible markets).

The Fund also may invest in U.S. Treasury Fund and in money market funds unaffiliated with GMO.

Principal risks of investing in the Fund

The value of the Fund's shares changes with the value of the Fund's investments. Many factors can affect this value, and you may lose money by investing in the Fund. The Fund is a *non-diversified investment company* under the Investment Company Act of 1940, as amended, and therefore a decline in the market price of a particular security held by the Fund may affect the Fund's performance more than if the Fund were a diversified investment company. The principal risks of investing in the Fund are summarized below. For a more complete discussion of these risks, see "Description of Principal Risks."

- **Market Risk – Equities** – The market prices of equities may decline due to factors affecting the issuing companies, their industries, or the economy and equity markets generally. If the Fund purchases equities for less than their value as determined by GMO, the Fund runs the risk that the market prices of these equities will not appreciate or will decline for a variety of reasons, one of which may be GMO's incorrect assessment of their intrinsic value. The Fund also may purchase equities that typically trade at higher multiples of current earnings than other securities, and the market prices of these equities often are more sensitive to changes in future earnings expectations than the market prices of equities trading at lower multiples. Declines in stock market prices generally are likely to reduce the net asset value of the Fund's shares.
- **Management and Operational Risk** – The Fund runs the risk that GMO's investment techniques will fail to produce desired results. GMO often uses quantitative analyses and models as part of its investment process. All models support portfolio decisions but are not necessarily predictive of future market events. These analyses and models also make simplifying assumptions that may limit their effectiveness. In addition, there are limitations (e.g., inaccuracies, staleness) on the data available for analysis or manipulation by the models. Any of those assumptions and/or limitations could adversely affect the Fund's performance. The Fund also runs the risk that GMO's assessment of an investment may be wrong or that deficiencies in GMO's or another service provider's internal systems or controls will cause losses for the Fund or impair Fund operations.
- **Non-U.S. Investment Risk** – The market prices of many non-U.S. securities fluctuate more than those of U.S. securities. Many non-U.S. securities markets are less stable, smaller, less liquid, and less regulated than U.S. securities markets, and the cost of trading in those markets often is higher than in U.S. securities markets. Non-U.S. portfolio transactions generally involve higher commission rates, transfer taxes, and custodial costs than similar transactions in the United States. In addition, the Fund may be subject to non-U.S. taxes, including potentially on a retroactive basis, on (i) capital gains it realizes or dividends, interest, or other amounts it realizes or accrues in respect of non-U.S. investments, (ii) transactions in those investments, and (iii) repatriation of proceeds generated from the sale or other disposition of those investments. Also, the Fund needs a license to invest directly in many non-U.S. securities markets, and the Fund is subject to the risk that it could not invest if its license were terminated or suspended. In some non-U.S. securities markets, prevailing custody and trade settlement practices (e.g., the requirement to pay for securities prior to receipt) expose the Fund to credit and other risks. Further, adverse changes in investment regulations, capital requirements or exchange controls could adversely affect the value of

the Fund's investments. These and other risks (e.g., nationalization, expropriation or other confiscation of assets of non-U.S. issuers) tend to be greater for investments in companies tied economically to emerging countries, the economies of which may be predominantly based on only a few industries or dependent on revenues from particular commodities and which often are more volatile than the economies of developed countries.

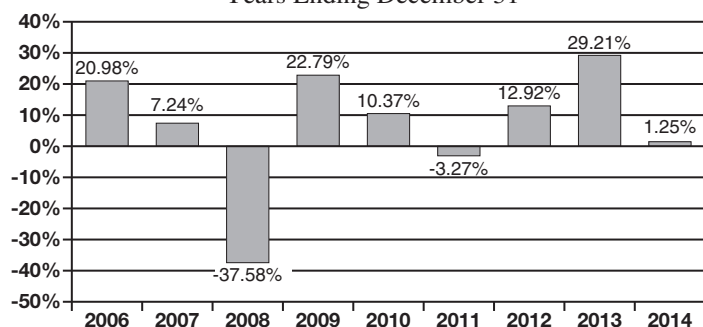
- *Illiquidity Risk* – Low trading volume, lack of a market maker, large position size, or legal restrictions may limit or prevent the Fund from selling particular securities or closing derivative positions at desirable prices.
- *Derivatives and Short Sales Risk* – The use of derivatives involves the risk that their value may not change as expected relative to changes in the value of the underlying assets, rates, or indices. Derivatives also present other risks, including market risk, illiquidity risk, currency risk, and counterparty risk. In addition, the risks of loss associated with derivatives that provide short investment exposure and short sales of securities are theoretically unlimited.
- *Smaller Company Risk* – Smaller companies may have limited product lines, markets, or financial resources, may lack the competitive strength of larger companies, may have inexperienced managers or may depend on a few key employees. The securities of companies with smaller market capitalizations often are less widely held and trade less frequently and in lesser quantities, and their market prices often fluctuate more, than the securities of companies with larger market capitalizations.
- *Currency Risk* – Fluctuations in exchange rates can adversely affect the market value of the Fund's foreign currency holdings and investments denominated in foreign currencies.
- *Leveraging Risk* – The use of reverse repurchase agreements and other derivatives and securities lending creates leverage. Leverage increases the Fund's losses when the value of its investments (including derivatives) declines.
- *Counterparty Risk* – The Fund runs the risk that the counterparty to a derivatives contract, a clearing member used by the Fund to hold a cleared derivatives contract, or a borrower of the Fund's securities will be unable or unwilling to make timely settlement payments, return the Fund's margin or otherwise honor its obligations.
- *Market Disruption and Geopolitical Risk* – Geopolitical and other events may disrupt securities markets and adversely affect global economies and markets. Those events, as well as other changes in non-U.S. and U.S. economic and political conditions, could adversely affect the value of the Fund's investments.
- *Focused Investment Risk* – Investments focused in countries, regions, sectors, industries, or issuers that are subject to the same or similar risk factors and investments whose prices are strongly correlated are subject to greater overall risk than investments that are more diversified.
- *Large Shareholder Risk* – To the extent that a large number of shares of the Fund is held by a single shareholder (e.g., an institutional investor or another GMO Fund) or a group of shareholders with a common investment strategy (e.g., GMO asset allocation accounts), the Fund is subject to the risk that a redemption by those shareholders of all or a large portion of their Fund shares will cause the Fund to sell securities at disadvantageous prices or otherwise will disrupt the Fund's operations.

GMO DEVELOPED WORLD STOCK FUND

Performance

The bar chart and table below provide some indication of the risks of investing in the Fund by showing changes in the Fund's annual total returns from year to year for the periods indicated and by comparing the Fund's average annual total returns for different calendar periods with those of a broad-based index. Purchase premiums and redemption fees are not reflected in the bar chart, but are reflected in the table; as a result, the returns in the table are lower than the returns in the bar chart. Returns in the table reflect current purchase premiums and redemption fees. After-tax returns are calculated using the historical highest individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Actual after-tax returns depend on your tax situation and may differ from those shown. After-tax returns shown are not relevant if you are tax-exempt or if you hold your Fund shares through tax-deferred arrangements (such as a 401(k) plan or individual retirement account). After-tax returns are shown for Class III shares only; after-tax returns for other classes will vary. Updated performance information for the Fund is available at www.gmo.com. Past performance (before and after taxes) is not an indication of future performance.

Annual Total Returns/Class III Shares
Years Ending December 31



Highest Quarter: 18.37% (2Q2009)
Lowest Quarter: -19.92% (4Q2008)
Year-to-Date (as of 3/31/15): 3.71%

Average Annual Total Returns
Periods Ending December 31, 2014

	1 Year	5 Years	10 Years	Incept.
Class III				8/1/05
Return Before Taxes	0.74%	9.43%	N/A	5.43%
Return After Taxes on Distributions	0.02%	8.88%	N/A	4.68%
Return After Taxes on Distributions and Sale of Fund Shares	0.93%	7.48%	N/A	4.31%
MSCI World Index (returns reflect no deduction for fees or expenses, but are net of withholding tax on dividend reinvestments)	4.94%	10.20%	N/A	6.06%
Class IV				9/1/05
Return Before Taxes	0.83%	9.49%	N/A	5.40%
MSCI World Index (returns reflect no deduction for fees or expenses, but are net of withholding tax on dividend reinvestments)	4.94%	10.20%	N/A	5.96%

Management of the Fund

Investment Adviser: Grantham, Mayo, Van Otterloo & Co. LLC

Investment Teams and Senior Members of GMO primarily responsible for portfolio management of the Fund:

Investment Team	Senior Member (Length of Service with Fund)	Title
Asset Allocation	Ben Inker (since 2013)	Co-Head, Asset Allocation Team and Co-Head, Developed Fixed Income Team, GMO.
Asset Allocation	Sam Wilderman (since 2013)	Co-Head, Asset Allocation Team and Co-Head, Developed Fixed Income Team, GMO.
Global Equity	Thomas Hancock (since the Fund's inception)	Co-Head, Global Equity Team, GMO.
Global Equity	David Cowan (since 2012)	Co-Head, Global Equity Team, GMO.

Additional information

For important information about purchase and sale of Fund shares, taxes, and financial intermediary compensation, please see "Additional Summary Information About the Funds" on page 144 of this Prospectus.

Investment objective

Total return.

Fees and expenses

The table below describes the fees and expenses that you may bear for each class of shares if you buy and hold shares of the Fund.

Annual Fund operating expenses

(expenses that you bear each year as a percentage of the value of your investment)

	Class III	Class IV
Management fee	0.60% ¹	0.60% ¹
Shareholder service fee	0.15% ¹	0.10% ¹
Other expenses	1.56%	1.56%
Total annual operating expenses	2.31%	2.26%
Expense reimbursement/waiver	(1.52%) ¹	(1.52%) ¹
Total annual operating expenses after expense reimbursement/waiver	0.79%	0.74%

¹ *Grantham, Mayo, Van Otterloo & Co. LLC ("GMO") has contractually agreed to reimburse the Fund for the following expenses: audit expenses, fund accounting expenses, pricing service expenses, expenses of non-investment related tax services, transfer agency expenses, expenses of non-investment related legal services provided to the Fund by or at the direction of GMO, federal securities law filing expenses, printing expenses, state and federal registration fees and custody expenses. GMO also has contractually agreed to waive or reduce the Fund's management fees and shareholder service fees to the extent necessary to offset the management fees and shareholder service fees paid to GMO that are directly or indirectly borne by the Fund or a class of shares of the Fund as a result of the Fund's direct or indirect investments in other series of GMO Trust ("GMO Funds"). Management fees and shareholder service fees will not be waived below zero. This reimbursement and waiver will continue through at least June 30, 2016, and may not be terminated prior to this date without the action or consent of the Fund's Board of Trustees.*

Example

This example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. The example assumes that you invest \$10,000 in the Fund for the time periods indicated, regardless of whether or not you redeem your shares at the end of such periods. The example also assumes that your investment has a 5% return each year and that the Fund's operating expenses remain the same as those shown in the table. The one year amounts shown reflect the expense reimbursement and waiver noted in the expense table. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

	<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>	<u>10 Years</u>
Class III	\$81	\$575	\$1,097	\$2,528
Class IV	\$76	\$560	\$1,071	\$2,477

Portfolio turnover

The Fund pays transaction costs, such as commissions, when it buys and sells securities. A higher portfolio turnover rate may result in higher transaction costs and, when Fund shares are held in a taxable account, higher taxes. These costs, which are not reflected in Annual Fund operating expenses or in the Example, affect the Fund's performance. During its fiscal year ended February 28, 2015, the Fund's portfolio turnover rate (excluding short-term investments) was 85% of the average value of its portfolio.

Principal investment strategies

The Fund may invest directly and indirectly (e.g., through underlying funds or derivatives) in equities traded in any of the world's securities markets, including emerging markets. Under normal circumstances, the Fund invests directly and indirectly at least 80% of its assets in equities (see "Name Policies"). The term "equities" refers to direct and indirect investments in common and preferred stocks and other stock-related securities, such as convertible securities, depositary receipts, and exchange-traded equity real estate investment trusts (REITs) and income trusts. The Fund is permitted to invest in equities of all types, including equities issued by non-U.S. and U.S. companies, growth and value style equities, and equities of companies of any market capitalization. In addition, the Fund is not limited in how much it may invest in any market or in the types of equity investments it may make, and it may often invest all its assets in the securities of companies in only a few countries and securities having similar market capitalizations. The Fund could experience material losses from a single investment.

The Fund focuses its investments in a relatively small number of securities that GMO believes offer the most attractive investment opportunities in U.S. and non-U.S. equity markets.

GMO selects investments using value-based fundamental analysis that is informed by a disciplined quantitative screening process. GMO analyzes companies for financial, operational, and managerial strength and compares them to their global, regional, and industry peers. GMO also considers a company's accounting and governance practices. As part of the investment process, GMO frequently meets with management and visits companies.

The factors considered and investment methods used by GMO can change over time.

The Fund may hold up to 20% of its assets in cash or cash equivalents. The Fund may (but is not obligated to) invest in a wide variety of exchange-traded and over-the-counter (OTC) derivatives, including, without limitation, forward currency contracts, futures and options, as well as exchange-traded funds (ETFs). The Fund's foreign currency exposure may differ from the currency exposure of its equity investments. In addition, the Fund may lend its portfolio securities.

The Fund also may invest in U.S. Treasury Fund and in money market funds unaffiliated with GMO.

Principal risks of investing in the Fund

The value of the Fund's shares changes with the value of the Fund's investments. Many factors can affect this value, and you may lose money by investing in the Fund. The Fund is a *non-diversified investment company* under the Investment Company Act of 1940, as amended, and therefore a decline in the market price of a particular security held by the Fund may affect the Fund's performance more than if the Fund were a diversified investment company. The principal risks of investing in the Fund are summarized below. For a more complete discussion of these risks, see "Description of Principal Risks."

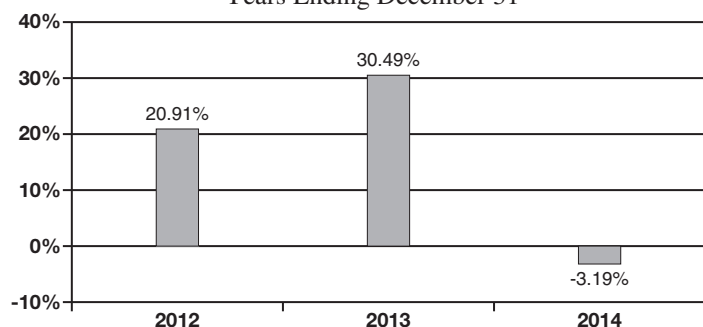
- **Management and Operational Risk** – The Fund runs the risk that GMO's investment techniques will fail to produce desired results. GMO often uses quantitative analyses and models as part of its investment process. All models support portfolio decisions but are not necessarily predictive of future market events. These analyses and models also make simplifying assumptions that may limit their effectiveness. In addition, there are limitations (e.g., inaccuracies, staleness) on the data available for analysis or manipulation by the models. Any of those assumptions and/or limitations could adversely affect the Fund's performance. The Fund also runs the risk that GMO's assessment of an investment may be wrong or that deficiencies in GMO's or another service provider's internal systems or controls will cause losses for the Fund or impair Fund operations.
- **Market Risk – Equities** – The market prices of equities may decline due to factors affecting the issuing companies, their industries, or the economy and equity markets generally. If the Fund purchases equities for less than their value as determined by GMO, the Fund runs the risk that the market prices of these equities will not appreciate or will decline for a variety of reasons, one of which may be GMO's incorrect assessment of their intrinsic value. The Fund also may purchase equities that typically trade at higher multiples of current earnings than other securities, and the market prices of these equities often are more sensitive to changes in future earnings expectations than the market prices of equities trading at lower multiples. Declines in stock market prices generally are likely to reduce the net asset value of the Fund's shares.
- **Focused Investment Risk** – Investments focused in countries, regions, sectors, industries, or issuers that are subject to the same or similar risk factors and investments whose prices are strongly correlated are subject to greater overall risk than investments that are more diversified.
- **Non-U.S. Investment Risk** – The market prices of many non-U.S. securities fluctuate more than those of U.S. securities. Many non-U.S. securities markets are less stable, smaller, less liquid, and less regulated than U.S. securities markets, and the cost of trading in those markets often is higher than in U.S. securities markets. Non-U.S. portfolio transactions generally involve higher commission rates, transfer taxes, and custodial costs than similar transactions in the United States. In addition, the Fund may be subject to non-U.S. taxes, including potentially on a retroactive basis, on (i) capital gains it realizes or dividends, interest, or other amounts it realizes or accrues in respect of non-U.S. investments, (ii) transactions in those investments, and (iii) repatriation of proceeds generated from the sale or other disposition of those investments. Also, the Fund needs a license to invest directly in many non-U.S. securities markets, and the Fund is subject to the risk that it could not invest if its license were terminated or suspended. In some non-U.S. securities markets, prevailing custody and trade settlement practices (e.g., the requirement to pay for securities prior to receipt) expose the Fund to credit and other risks. Further, adverse changes in investment regulations, capital requirements or exchange controls could adversely affect the value of the Fund's investments. These and other risks (e.g., nationalization, expropriation or other confiscation of assets of non-U.S. issuers) tend to be greater for investments in companies tied economically to emerging countries, the economies of which may be predominantly based on only a few industries or dependent on revenues from particular commodities and which often are more volatile than the economies of developed countries.
- **Currency Risk** – Fluctuations in exchange rates can adversely affect the market value of the Fund's foreign currency holdings and investments denominated in foreign currencies.
- **Illiquidity Risk** – Low trading volume, lack of a market maker, large position size, or legal restrictions may limit or prevent the Fund from selling particular securities or closing derivative positions at desirable prices.
- **Large Shareholder Risk** – To the extent that a large number of shares of the Fund is held by a single shareholder (e.g., an institutional investor or another GMO Fund) or a group of shareholders with a common investment strategy (e.g., GMO asset allocation accounts), the Fund is subject to the risk that a redemption by those shareholders of all or a large portion of their Fund shares will cause the Fund to sell securities at disadvantageous prices or otherwise will disrupt the Fund's operations.

- **Smaller Company Risk** – Smaller companies may have limited product lines, markets, or financial resources, may lack the competitive strength of larger companies, may have inexperienced managers or may depend on a few key employees. The securities of companies with smaller market capitalizations often are less widely held and trade less frequently and in lesser quantities, and their market prices often fluctuate more, than the securities of companies with larger market capitalizations.
- **Market Disruption and Geopolitical Risk** – Geopolitical and other events may disrupt securities markets and adversely affect global economies and markets. Those events, as well as other changes in non-U.S. and U.S. economic and political conditions, could adversely affect the value of the Fund's investments.
- **Derivatives and Short Sales Risk** – The use of derivatives involves the risk that their value may not change as expected relative to changes in the value of the underlying assets, rates, or indices. Derivatives also present other risks, including market risk, illiquidity risk, currency risk, and counterparty risk. In addition, the risks of loss associated with derivatives that provide short investment exposure and short sales of securities are theoretically unlimited.
- **Leveraging Risk** – The use of reverse repurchase agreements and other derivatives and securities lending creates leverage. Leverage increases the Fund's losses when the value of its investments (including derivatives) declines.
- **Counterparty Risk** – The Fund runs the risk that the counterparty to a derivatives contract, a clearing member used by the Fund to hold a cleared derivatives contract, or a borrower of the Fund's securities will be unable or unwilling to make timely settlement payments, return the Fund's margin or otherwise honor its obligations.

Performance

The bar chart and table below provide some indication of the risks of investing in the Fund by showing changes in the Fund's annual total returns from year to year for the periods indicated and by comparing the Fund's average annual total returns for different calendar periods with those of a broad-based index. After-tax returns are calculated using the historical highest individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Actual after-tax returns depend on your tax situation and may differ from those shown. After-tax returns shown are not relevant if you are tax-exempt or if you hold your Fund shares through tax-deferred arrangements (such as a 401(k) plan or individual retirement account). Updated performance information for the Fund is available at www.gmo.com. Past performance (before and after taxes) is not an indication of future performance.

Annual Total Returns/Class III Shares
Years Ending December 31



Highest Quarter: 16.01% (3Q2013)
Lowest Quarter: -6.64% (3Q2014)
Year-to-Date (as of 3/31/15): 2.93%

Average Annual Total Returns
Periods Ending December 31, 2014

	1 Year	5 Years	10 Years	Incept.
Class III				12/1/11
Return Before Taxes	- 3.19%	N/A	N/A	13.91%
Return After Taxes on Distributions	- 7.76%	N/A	N/A	9.93%
Return After Taxes on Distributions and Sale of Fund Shares	- 0.07%	N/A	N/A	9.76%
MSCI ACWI (returns reflect no deduction for fees or expenses, but are net of withholding tax on dividend reinvestments)	4.16%	N/A	N/A	13.46%

Management of the Fund

Investment Adviser: Grantham, Mayo, Van Otterloo & Co. LLC

Investment Team and Senior Members of GMO primarily responsible for portfolio management of the Fund:

Investment Team	Senior Member (Length of Service with Fund)	Title
International Active	Drew Spangler (since the Fund's inception)	Head, International Active Team, GMO.
International Active	Greg Shell (since 2013)	Portfolio Manager, International Active Team, GMO.

Additional information

For important information about purchase and sale of Fund shares, taxes, and financial intermediary compensation, please see "Additional Summary Information About the Funds" on page 144 of this Prospectus.

GMO INTERNATIONAL EQUITY ALLOCATION FUND

Investment objective

Total return greater than that of its benchmark, the MSCI ACWI ex USA.

Fees and expenses

The tables below describe the fees and expenses that you may bear if you buy and hold shares of the Fund.

Shareholder fees

(fees paid directly from your investment)

	Class III
Purchase premium (as a percentage of amount invested)	0.27%
Redemption fee (as a percentage of amount redeemed)	0.27%

Annual Fund operating expenses

(expenses that you bear each year as a percentage of the value of your investment)

	Class III
Management fee	0.00%
Shareholder service fee	0.00%
Other expenses	0.01%
Acquired fund fees and expenses (underlying fund expenses)	0.75% ¹
Total annual operating expenses	0.76%
Expense reimbursement	(0.01%) ²
Total annual operating expenses after expense reimbursement (Fund and underlying fund expenses)	0.75%

¹ These indirect expenses include, to the extent applicable, purchase premiums and redemption fees ("transaction fees") charged by certain underlying funds. Net fees and expenses of underlying funds (before addition of transaction fees) and indirect transaction fees were approximately 0.67% and 0.08%, respectively.

² Grantham, Mayo, Van Otterloo & Co. LLC ("GMO") has contractually agreed to reimburse the Fund for the following expenses: audit expenses, fund accounting expenses, pricing service expenses, expenses of non-investment related tax services, transfer agency expenses, expenses of non-investment related legal services provided to the Fund by or at the direction of GMO, federal securities law filing expenses, printing expenses, state and federal registration fees and custody expenses. This reimbursement will continue through at least June 30, 2016, and may not be terminated prior to this date without the action or consent of the Fund's Board of Trustees.

Example

This example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. The example assumes that you invest \$10,000 in the Fund for the time periods indicated. The example also assumes that your investment has a 5% return each year and that the Fund's operating expenses remain the same as those shown in the table. The one year amounts shown reflect the expense reimbursement noted in the expense table. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

	If you sell your shares				If you do not sell your shares			
	1 Year	3 Years	5 Years	10 Years	1 Year	3 Years	5 Years	10 Years
Class III	\$131	\$307	\$498	\$1,050	\$103	\$277	\$465	\$1,009

Portfolio turnover

The Fund pays transaction costs, such as commissions, when it buys and sells securities. A higher portfolio turnover rate may result in higher transaction costs and, when Fund shares are held in a taxable account, higher taxes. These costs, which are not reflected in Annual Fund operating expenses or in the Example, affect the Fund's performance. During its fiscal year ended February 28, 2015, the Fund's portfolio turnover rate (excluding short-term investments) was 18% of the average value of its portfolio.

Principal investment strategies

The Fund is a fund of funds and invests primarily in equities traded in non-U.S. markets through shares of the Equity Funds, Alpha Only Fund and Risk Premium Fund (collectively, the "underlying Funds") (see "Additional Information About the Funds' Investment Strategies, Risks, and Expenses — Asset Allocation Funds" and "Investment in Other GMO Funds"). The Fund also may invest directly in securities and derivatives.

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 Fund's allocations to particular underlying Funds. An important component of those forecasts is the expectation that valuations ultimately revert to their historical mean (average). GMO changes the Fund's holdings of the underlying Funds in response to changes in GMO's investment outlook and market valuations and may use redemptions or purchases of Fund shares to rebalance the Fund's investments. The factors considered and investment methods used by GMO can change over time.

Under normal circumstances, the Fund invests (including through investment in the underlying Funds) at least 80% of its assets in equities (see “Name Policies”). The term “equities” refers to direct and indirect (e.g., through the underlying Funds) investments in common and preferred stocks and other stock-related securities, such as convertible securities, depositary receipts, and exchange-traded equity real estate investment trusts (REITs) and income trusts.

The Fund also may invest in U.S. Treasury Fund and in money market funds unaffiliated with GMO.

Principal risks of investing in the Fund

The value of the Fund’s shares changes with the value of the Fund’s investments. Many factors can affect this value, and you may lose money by investing in the Fund. References to investments include those held directly by the Fund and indirectly through the Fund’s investments in the underlying Funds. Some of the underlying Funds are *non-diversified investment companies* under the Investment Company Act of 1940, as amended, and therefore a decline in the market price of a particular security held by those underlying Funds may affect their performance more than if they were diversified investment companies. The principal risks of investing in the Fund are summarized below. For a more complete discussion of these risks, including those risks to which the Fund is exposed as a result of its investments in the underlying Funds, see “Description of Principal Risks.”

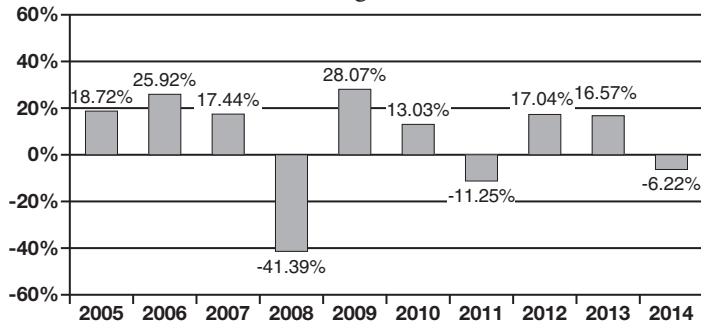
- **Market Risk – Equities** – The market prices of equities may decline due to factors affecting the issuing companies, their industries, or the economy and equity markets generally. If an underlying Fund purchases equities for less than their value as determined by GMO, the Fund runs the risk that the market prices of these equities will not appreciate or will decline for a variety of reasons, one of which may be GMO’s incorrect assessment of their intrinsic value. An underlying Fund also may purchase equities that typically trade at higher multiples of current earnings than other securities, and the market prices of these equities often are more sensitive to changes in future earnings expectations than the market prices of equities trading at lower multiples. Declines in stock market prices generally are likely to reduce the net asset value of the Fund’s shares.
- **Non-U.S. Investment Risk** – The market prices of many non-U.S. securities fluctuate more than those of U.S. securities. Many non-U.S. securities markets are less stable, smaller, less liquid, and less regulated than U.S. securities markets, and the cost of trading in those markets often is higher than in U.S. securities markets. Non-U.S. portfolio transactions generally involve higher commission rates, transfer taxes, and custodial costs than similar transactions in the United States. In addition, the Fund may be subject to non-U.S. taxes, including potentially on a retroactive basis, on (i) capital gains it realizes or dividends, interest, or other amounts it realizes or accrues in respect of non-U.S. investments, (ii) transactions in those investments, and (iii) repatriation of proceeds generated from the sale or other disposition of those investments. Also, the Fund needs a license to invest directly in many non-U.S. securities markets, and the Fund is subject to the risk that it could not invest if its license were terminated or suspended. In some non-U.S. securities markets, prevailing custody and trade settlement practices (e.g., the requirement to pay for securities prior to receipt) expose the Fund to credit and other risks. Further, adverse changes in investment regulations, capital requirements or exchange controls could adversely affect the value of the Fund’s investments. These and other risks (e.g., nationalization, expropriation or other confiscation of assets of non-U.S. issuers) tend to be greater for investments in companies tied economically to emerging countries, the economies of which may be predominantly based on only a few industries or dependent on revenues from particular commodities and which often are more volatile than the economies of developed countries.
- **Management and Operational Risk** – The Fund runs the risk that GMO’s investment techniques will fail to produce desired results. GMO often uses quantitative analyses and models as part of its investment process. All models support portfolio decisions but are not necessarily predictive of future market events. These analyses and models also make simplifying assumptions that may limit their effectiveness. In addition, there are limitations (e.g., inaccuracies, staleness) on the data available for analysis or manipulation by the models. Any of those assumptions and/or limitations could adversely affect the Fund’s performance. The Fund also runs the risk that GMO’s assessment of an investment may be wrong or that deficiencies in GMO’s or another service provider’s internal systems or controls will cause losses for the Fund or impair Fund operations.
- **Currency Risk** – Fluctuations in exchange rates can adversely affect the market value of foreign currency holdings and investments denominated in foreign currencies.
- **Illiquidity Risk** – Low trading volume, lack of a market maker, large position size, or legal restrictions may limit or prevent the Fund or an underlying Fund from selling particular securities or closing derivative positions at desirable prices.
- **Derivatives and Short Sales Risk** – The use of derivatives involves the risk that their value may not change as expected relative to changes in the value of the underlying assets, rates, or indices. Derivatives also present other risks, including market risk, illiquidity risk, currency risk, credit risk, and counterparty risk. The market price of an option is affected by many factors, including changes in the market prices or dividend rates of underlying securities (or in the case of indices, the securities in such indices); the time remaining before expiration; changes in interest rates or exchange rates; and changes in the actual or perceived volatility of the relevant stock market and underlying securities. In addition, the risks of loss associated with derivatives that provide short investment exposure and short sales of securities are theoretically unlimited.

- *Fund of Funds Risk* – The Fund is indirectly exposed to all of the risks of an investment in the underlying Funds in which it invests, including the risk that those underlying Funds will not perform as expected. Because the Fund bears the fees and expenses of the underlying Funds in which it invests, a reallocation of the Fund's investments to underlying Funds with higher fees or expenses will increase the Fund's total expenses. The fees and expenses associated with an investment in the Fund are less predictable than those associated with an investment in funds that charge a fixed management fee.
- *Smaller Company Risk* – Smaller companies may have limited product lines, markets, or financial resources, may lack the competitive strength of larger companies, may have inexperienced managers or may depend on a few key employees. The securities of companies with smaller market capitalizations often are less widely held and trade less frequently and in lesser quantities, and their market prices often fluctuate more, than the securities of companies with larger market capitalizations.
- *Leveraging Risk* – The use of reverse repurchase agreements and other derivatives and securities lending creates leverage. Leverage increases the Fund's losses when the value of its investments (including derivatives) declines.
- *Counterparty Risk* – The Fund runs the risk that the counterparty to a derivatives contract, a clearing member used by the Fund to hold a cleared derivatives contract, or a borrower of the Fund's securities will be unable or unwilling to make timely settlement payments, return the Fund's margin or otherwise honor its obligations.
- *Market Disruption and Geopolitical Risk* – Geopolitical and other events may disrupt securities markets and adversely affect global economies and markets. Those events, as well as other changes in non-U.S. and U.S. economic and political conditions, could adversely affect the value of the Fund's investments.
- *Market Risk – Fixed Income Investments* – The market price of a fixed income investment can decline due to market-related factors, including rising interest rates and widening credit spreads, or decreased liquidity stemming from the market's uncertainty about the value of a fixed income investment (or class of fixed income investments).
- *Credit Risk* – The Fund runs the risk that the issuer or guarantor of a fixed income investment or the obligor of an obligation underlying an asset-backed security will be unable or unwilling to satisfy its obligation to pay principal and interest or otherwise to honor its obligations in a timely manner. The market price of a fixed income investment will normally decline as a result of the issuer's, guarantor's, or obligor's failure to meet its payment obligations. Below investment grade securities have speculative characteristics, and changes in economic conditions or other circumstances are more likely to impair the ability of issuers of those securities to make principal and interest payments than is the case with issuers of investment grade securities.
- *Focused Investment Risk* – Investments focused in countries, regions, sectors, industries, or issuers that are subject to the same or similar risk factors and investments whose prices are strongly correlated are subject to greater overall risk than investments that are more diversified.
- *Market Risk – Asset-Backed Securities* – The market price of fixed income investments with complex structures, such as asset-backed securities, can decline due to a variety of factors, including market uncertainty about their credit quality and the reliability of their payment streams. Payment streams associated with asset-backed securities held by the Fund depend on many factors (e.g., the cash flow generated by the assets backing the securities, the deal structure, the credit worthiness of any credit-support provider, and the reliability of various other service providers with access to the payment stream), and a problem in any one of these factors can lead to a reduction in the payment stream GMO expected the Fund to receive at the time the Fund purchased the asset-backed security.
- *Large Shareholder Risk* – To the extent that a large number of shares of the Fund is held by a single shareholder (e.g., an institutional investor), the Fund is subject to the risk that a redemption by that shareholder of all or a large portion of its Fund shares will cause the Fund to sell securities at disadvantageous prices or otherwise will disrupt the Fund's operations.

Performance

The bar chart and table below provide some indication of the risks of investing in the Fund by showing changes in the Fund's annual total returns from year to year for the periods indicated and by comparing the Fund's average annual total returns for different calendar periods with those of a broad-based index. Purchase premiums and redemption fees are not reflected in the bar chart, but are reflected in the table; as a result, the returns in the table are lower than the returns in the bar chart. Returns in the table reflect current purchase premiums and redemption fees. After-tax returns are calculated using the historical highest individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Actual after-tax returns depend on your tax situation and may differ from those shown. After-tax returns shown are not relevant if you are tax-exempt or if you hold your Fund shares through tax-deferred arrangements (such as a 401(k) plan or individual retirement account). Updated performance information for the Fund is available at www.gmo.com. Past performance (before and after taxes) is not an indication of future performance.

Annual Total Returns/Class III Shares
Years Ending December 31



Highest Quarter: 21.94% (2Q2009)
Lowest Quarter: -20.16% (3Q2008)
Year-to-Date (as of 3/31/15): 3.53%

Average Annual Total Returns
Periods Ending December 31, 2014

	1 Year	5 Years	10 Years	Incept.
Class III				10/11/96
Return Before Taxes	- 6.72%	5.01%	5.34%	7.40%
Return After Taxes on Distributions	- 7.74%	4.31%	3.73%	5.76%
Return After Taxes on Distributions and Sale of Fund Shares	- 2.37%	3.99%	3.66%	6.01%
MSCI ACWI ex USA (returns reflect no deduction for fees or expenses, but are net of withholding tax on dividend reinvestments)	- 3.87%	4.43%	5.13%	5.23%

Management of the Fund

Investment Adviser: Grantham, Mayo, Van Otterloo & Co. LLC

Investment Team and Senior Members of GMO primarily responsible for portfolio management of the Fund:

Investment Team	Senior Member (Length of Service with Fund)	Title
Asset Allocation	Ben Inker (since the Fund's inception)	Co-Head, Asset Allocation Team and Co-Head, Developed Fixed Income Team, GMO.
Asset Allocation	Sam Wilderman (since 2012)	Co-Head, Asset Allocation Team and Co-Head, Developed Fixed Income Team, GMO.

Additional information

For important information about purchase and sale of Fund shares, taxes, and financial intermediary compensation, please see "Additional Summary Information About the Funds" on page 144 of this Prospectus.

GMO INTERNATIONAL DEVELOPED EQUITY ALLOCATION FUND

Investment objective

Total return greater than that of its benchmark, the MSCI EAFE Index.

Fees and expenses

The tables below describe the fees and expenses that you may bear if you buy and hold shares of the Fund.

Shareholder fees

(fees paid directly from your investment)

	Class III
Purchase premium (as a percentage of amount invested)	0.08%
Redemption fee (as a percentage of amount redeemed)	0.08%

Annual Fund operating expenses

(expenses that you bear each year as a percentage of the value of your investment)

	Class III
Management fee	0.00%
Shareholder service fee	0.00%
Other expenses	0.01%
Acquired fund fees and expenses (underlying fund expenses)	0.65% ¹
Total annual operating expenses	0.66%
Expense reimbursement	(0.01%) ²
Total annual operating expenses after expense reimbursement (Fund and underlying fund expenses)	0.65%

¹ These indirect expenses include, to the extent applicable, purchase premiums and redemption fees ("transaction fees") charged by certain underlying funds. Net fees and expenses of underlying funds (before addition of transaction fees) and indirect transaction fees were approximately 0.62% and 0.03%, respectively.

² Grantham, Mayo, Van Otterloo & Co. LLC ("GMO") has contractually agreed to reimburse the Fund for the following expenses: audit expenses, fund accounting expenses, pricing service expenses, expenses of non-investment related tax services, transfer agency expenses, expenses of non-investment related legal services provided to the Fund by or at the direction of GMO, federal securities law filing expenses, printing expenses, state and federal registration fees and custody expenses. This reimbursement will continue through at least June 30, 2016, and may not be terminated prior to this date without the action or consent of the Fund's Board of Trustees.

Example

This example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. The example assumes that you invest \$10,000 in the Fund for the time periods indicated. The example also assumes that your investment has a 5% return each year and that the Fund's operating expenses remain the same as those shown in the table. The one year amounts shown reflect the expense reimbursement noted in the expense table. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

	If you sell your shares				If you do not sell your shares			
	1 Year	3 Years	5 Years	10 Years	1 Year	3 Years	5 Years	10 Years
Class III	\$83	\$236	\$402	\$885	\$74	\$227	\$392	\$873

Portfolio turnover

The Fund pays transaction costs, such as commissions, when it buys and sells securities. A higher portfolio turnover rate may result in higher transaction costs and, when Fund shares are held in a taxable account, higher taxes. These costs, which are not reflected in Annual Fund operating expenses or in the Example, affect the Fund's performance. During its fiscal year ended February 28, 2015, the Fund's portfolio turnover rate (excluding short-term investments) was 7% of the average value of its portfolio.

Principal investment strategies

The Fund is a fund of funds and invests primarily in equities traded in non-U.S. markets through shares of the Equity Funds, Alpha Only Fund and Risk Premium Fund (collectively, the "underlying Funds") (see "Additional Information About the Funds' Investment Strategies, Risks, and Expenses — Asset Allocation Funds" and "Investment in Other GMO Funds"). The Fund also may invest directly in securities and derivatives.

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 Fund's allocations to particular underlying Funds. An important component of those forecasts is the expectation that valuations ultimately revert to their historical mean (average). GMO changes the Fund's holdings of the underlying Funds in response to changes in GMO's investment outlook and market valuations and may use redemptions or purchases of Fund shares to rebalance the Fund's investments. The factors considered and investment methods used by GMO can change over time.

Under normal circumstances, the Fund invests (including through investment in the underlying Funds) at least 80% of its assets in equities (see “Name Policies”). In addition, under normal circumstances, the Fund invests (including through investment in the underlying Funds) at least 80% of its assets in equities tied economically to developed markets (see “Name Policies”). The Fund also may invest in equities in emerging markets, but those investments typically will represent 10% or less of the Fund’s net assets measured at the time of purchase. The term “equities” refers to direct and indirect (e.g., through the underlying Funds) investments in common and preferred stocks and other stock-related securities, such as convertible securities, depositary receipts, and exchange-traded equity real estate investment trusts (REITs) and income trusts. The term “developed markets” means those countries included in the MSCI World Index, a global developed markets equity index, and countries with similar characteristics (e.g., countries that have sustained economic development, sufficient liquidity for listed companies and accessible markets).

The Fund also may invest in U.S. Treasury Fund and in money market funds unaffiliated with GMO.

Principal risks of investing in the Fund

The value of the Fund’s shares changes with the value of the Fund’s investments. Many factors can affect this value, and you may lose money by investing in the Fund. References to investments include those held directly by the Fund and indirectly through the Fund’s investments in the underlying Funds. Some of the underlying Funds are *non-diversified investment companies* under the Investment Company Act of 1940, as amended, and therefore a decline in the market price of a particular security held by those underlying Funds may affect their performance more than if they were diversified investment companies. The principal risks of investing in the Fund are summarized below. For a more complete discussion of these risks, including those risks to which the Fund is exposed as a result of its investments in the underlying Funds, see “Description of Principal Risks.”

- **Market Risk – Equities** – The market prices of equities may decline due to factors affecting the issuing companies, their industries, or the economy and equity markets generally. If an underlying Fund purchases equities for less than their value as determined by GMO, the Fund runs the risk that the market prices of these equities will not appreciate or will decline for a variety of reasons, one of which may be GMO’s incorrect assessment of their intrinsic value. An underlying Fund also may purchase equities that typically trade at higher multiples of current earnings than other securities, and the market prices of these equities often are more sensitive to changes in future earnings expectations than the market prices of equities trading at lower multiples. Declines in stock market prices generally are likely to reduce the net asset value of the Fund’s shares.
- **Non-U.S. Investment Risk** – The market prices of many non-U.S. securities fluctuate more than those of U.S. securities. Many non-U.S. securities markets are less stable, smaller, less liquid, and less regulated than U.S. securities markets, and the cost of trading in those markets often is higher than in U.S. securities markets. Non-U.S. portfolio transactions generally involve higher commission rates, transfer taxes, and custodial costs than similar transactions in the United States. In addition, the Fund may be subject to non-U.S. taxes, including potentially on a retroactive basis, on (i) capital gains it realizes or dividends, interest, or other amounts it realizes or accrues in respect of non-U.S. investments, (ii) transactions in those investments, and (iii) repatriation of proceeds generated from the sale or other disposition of those investments. Also, the Fund needs a license to invest directly in many non-U.S. securities markets, and the Fund is subject to the risk that it could not invest if its license were terminated or suspended. In some non-U.S. securities markets, prevailing custody and trade settlement practices (e.g., the requirement to pay for securities prior to receipt) expose the Fund to credit and other risks. Further, adverse changes in investment regulations, capital requirements or exchange controls could adversely affect the value of the Fund’s investments. These and other risks (e.g., nationalization, expropriation or other confiscation of assets of non-U.S. issuers) tend to be greater for investments in companies tied economically to emerging countries, the economies of which may be predominantly based on only a few industries or dependent on revenues from particular commodities and which often are more volatile than the economies of developed countries.
- **Management and Operational Risk** – The Fund runs the risk that GMO’s investment techniques will fail to produce desired results. GMO often uses quantitative analyses and models as part of its investment process. All models support portfolio decisions but are not necessarily predictive of future market events. These analyses and models also make simplifying assumptions that may limit their effectiveness. In addition, there are limitations (e.g., inaccuracies, staleness) on the data available for analysis or manipulation by the models. Any of those assumptions and/or limitations could adversely affect the Fund’s performance. The Fund also runs the risk that GMO’s assessment of an investment may be wrong or that deficiencies in GMO’s or another service provider’s internal systems or controls will cause losses for the Fund or impair Fund operations.
- **Currency Risk** – Fluctuations in exchange rates can adversely affect the market value of foreign currency holdings and investments denominated in foreign currencies.
- **Illiquidity Risk** – Low trading volume, lack of a market maker, large position size, or legal restrictions may limit or prevent the Fund or an underlying Fund from selling particular securities or closing derivative positions at desirable prices.
- **Derivatives and Short Sales Risk** – The use of derivatives involves the risk that their value may not change as expected relative to changes in the value of the underlying assets, rates, or indices. Derivatives also present other risks, including market risk, illiquidity risk, currency risk, credit risk, and counterparty risk. The market price of an option is affected by many factors, including changes in the

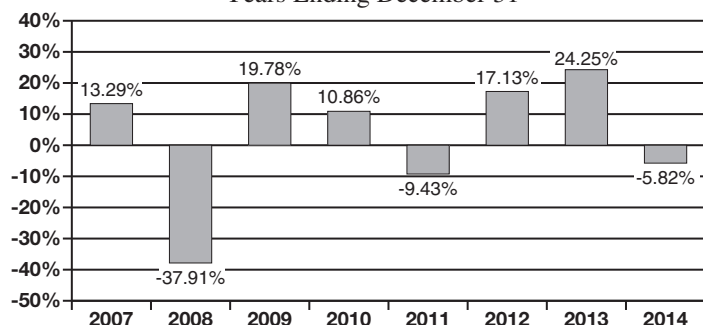
market prices or dividend rates of underlying securities (or in the case of indices, the securities in such indices); the time remaining before expiration; changes in interest rates or exchange rates; and changes in the actual or perceived volatility of the relevant stock market and underlying securities. In addition, the risks of loss associated with derivatives that provide short investment exposure and short sales of securities are theoretically unlimited.

- *Fund of Funds Risk* – The Fund is indirectly exposed to all of the risks of an investment in the underlying Funds in which it invests, including the risk that those underlying Funds will not perform as expected. Because the Fund bears the fees and expenses of the underlying Funds in which it invests, a reallocation of the Fund's investments to underlying Funds with higher fees or expenses will increase the Fund's total expenses. The fees and expenses associated with an investment in the Fund are less predictable than those associated with an investment in funds that charge a fixed management fee.
- *Smaller Company Risk* – Smaller companies may have limited product lines, markets, or financial resources, may lack the competitive strength of larger companies, may have inexperienced managers or may depend on a few key employees. The securities of companies with smaller market capitalizations often are less widely held and trade less frequently and in lesser quantities, and their market prices often fluctuate more, than the securities of companies with larger market capitalizations.
- *Leveraging Risk* – The use of reverse repurchase agreements and other derivatives and securities lending creates leverage. Leverage increases the Fund's losses when the value of its investments (including derivatives) declines.
- *Counterparty Risk* – The Fund runs the risk that the counterparty to a derivatives contract, a clearing member used by the Fund to hold a cleared derivatives contract, or a borrower of the Fund's securities will be unable or unwilling to make timely settlement payments, return the Fund's margin or otherwise honor its obligations.
- *Market Disruption and Geopolitical Risk* – Geopolitical and other events may disrupt securities markets and adversely affect global economies and markets. Those events, as well as other changes in non-U.S. and U.S. economic and political conditions, could adversely affect the value of the Fund's investments.
- *Market Risk – Fixed Income Investments* – The market price of a fixed income investment can decline due to market-related factors, including rising interest rates and widening credit spreads, or decreased liquidity stemming from the market's uncertainty about the value of a fixed income investment (or class of fixed income investments).
- *Credit Risk* – The Fund runs the risk that the issuer or guarantor of a fixed income investment or the obligor of an obligation underlying an asset-backed security will be unable or unwilling to satisfy its obligation to pay principal and interest or otherwise to honor its obligations in a timely manner. The market price of a fixed income investment will normally decline as a result of the issuer's, guarantor's, or obligor's failure to meet its payment obligations. Below investment grade securities have speculative characteristics, and changes in economic conditions or other circumstances are more likely to impair the ability of issuers of those securities to make principal and interest payments than is the case with issuers of investment grade securities.
- *Focused Investment Risk* – Investments focused in countries, regions, sectors, industries, or issuers that are subject to the same or similar risk factors and investments whose prices are strongly correlated are subject to greater overall risk than investments that are more diversified.
- *Market Risk – Asset-Backed Securities* – The market price of fixed income investments with complex structures, such as asset-backed securities, can decline due to a variety of factors, including market uncertainty about their credit quality and the reliability of their payment streams. Payment streams associated with asset-backed securities held by the Fund depend on many factors (e.g., the cash flow generated by the assets backing the securities, the deal structure, the credit worthiness of any credit-support provider, and the reliability of various other service providers with access to the payment stream), and a problem in any one of these factors can lead to a reduction in the payment stream GMO expected the Fund to receive at the time the Fund purchased the asset-backed security.
- *Large Shareholder Risk* – To the extent that a large number of shares of the Fund is held by a single shareholder (e.g., an institutional investor), the Fund is subject to the risk that a redemption by that shareholder of all or a large portion of its Fund shares will cause the Fund to sell securities at disadvantageous prices or otherwise will disrupt the Fund's operations.

Performance

The bar chart and table below provide some indication of the risks of investing in the Fund by showing changes in the Fund's annual total returns from year to year for the periods indicated and by comparing the Fund's average annual total returns for different calendar periods with those of a broad-based index. Purchase premiums and redemption fees are not reflected in the bar chart, but are reflected in the table; as a result, the returns in the table are lower than the returns in the bar chart. Returns in the table reflect current purchase premiums and redemption fees. After-tax returns are calculated using the historical highest individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Actual after-tax returns depend on your tax situation and may differ from those shown. After-tax returns shown are not relevant if you are tax-exempt or if you hold your Fund shares through tax-deferred arrangements (such as a 401(k) plan or individual retirement account). Updated performance information for the Fund is available at www.gmo.com. Past performance (before and after taxes) is not an indication of future performance.

Annual Total Returns/Class III Shares
Years Ending December 31



Highest Quarter: 19.55% (2Q2009)
Lowest Quarter: -18.80% (3Q2008)
Year-to-Date (as of 3/31/15): 4.39%

Average Annual Total Returns
Periods Ending December 31, 2014

	1 Year	5 Years	10 Years	Incept.
Class III				6/5/06
Return Before Taxes	- 5.97%	6.56%	N/A	3.24%
Return After Taxes on Distributions	- 6.69%	6.05%	N/A	2.14%
Return After Taxes on Distributions and Sale of Fund Shares	- 2.27%	5.34%	N/A	2.68%
MSCI EAFE Index (returns reflect no deduction for fees or expenses, but are net of withholding tax on dividend reinvestments)	- 4.90%	5.33%	N/A	2.35%

Management of the Fund

Investment Adviser: Grantham, Mayo, Van Otterloo & Co. LLC

Investment Team and Senior Members of GMO primarily responsible for portfolio management of the Fund:

Investment Team	Senior Member (Length of Service with Fund)	Title
Asset Allocation	Ben Inker (since the Fund's inception)	Co-Head, Asset Allocation Team and Co-Head, Developed Fixed Income Team, GMO.
Asset Allocation	Sam Wilderman (since 2012)	Co-Head, Asset Allocation Team and Co-Head, Developed Fixed Income Team, GMO.

Additional information

For important information about purchase and sale of Fund shares, taxes, and financial intermediary compensation, please see "Additional Summary Information About the Funds" on page 144 of this Prospectus.

GMO TAX-MANAGED INTERNATIONAL EQUITIES FUND

Investment objective

High after-tax total return.

Fees and expenses

The table below describes the fees and expenses that you may bear if you buy and hold shares of the Fund.

Annual Fund operating expenses

(expenses that you bear each year as a percentage of the value of your investment)

	Class III
Management fee	0.50% ¹
Shareholder service fee	0.15% ¹
Other expenses	0.13%
Total annual operating expenses	0.78%
Expense reimbursement/waiver	(0.12%) ¹
Total annual operating expenses after expense reimbursement/waiver	0.66%

¹ *Grantham, Mayo, Van Otterloo & Co. LLC ("GMO") has contractually agreed to reimburse the Fund for the following expenses: audit expenses, fund accounting expenses, pricing service expenses, expenses of non-investment related tax services, transfer agency expenses, expenses of non-investment related legal services provided to the Fund by or at the direction of GMO, federal securities law filing expenses, printing expenses, state and federal registration fees and custody expenses. GMO also has contractually agreed to waive or reduce the Fund's management fees and shareholder service fees to the extent necessary to offset the management fees and shareholder service fees paid to GMO that are directly or indirectly borne by the Fund as a result of the Fund's direct or indirect investments in other series of GMO Trust ("GMO Funds"). Management fees and shareholder service fees will not be waived below zero. This reimbursement and waiver will continue through at least June 30, 2016, and may not be terminated prior to this date without the action or consent of the Fund's Board of Trustees.*

Example

This example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. The example assumes that you invest \$10,000 in the Fund for the time periods indicated, regardless of whether or not you redeem your shares at the end of such periods. The example also assumes that your investment has a 5% return each year and that the Fund's operating expenses remain the same as those shown in the table. The one year amount shown reflects the expense reimbursement and waiver noted in the expense table. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

	<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>	<u>10 Years</u>
Class III	\$67	\$237	\$421	\$955

Portfolio turnover

The Fund pays transaction costs, such as commissions, when it buys and sells securities. A higher portfolio turnover rate may result in higher transaction costs and, when Fund shares are held in a taxable account, higher taxes. These costs, which are not reflected in Annual Fund operating expenses or in the Example, affect the Fund's performance. During its fiscal year ended February 28, 2015, the Fund's portfolio turnover rate (excluding short-term investments) was 69% of the average value of its portfolio.

Principal investment strategies

GMO seeks to achieve the Fund's investment objective by investing primarily in a portfolio of equities that GMO believes will provide a higher return than the MSCI EAFE Index (after tax).

GMO selects the securities the Fund should buy or sell based on its evaluation of companies' published financial information and corporate behavior, securities' prices, equity and bond markets, and the overall economy.

In selecting securities for the Fund, GMO uses a combination of investment methods to identify securities that GMO believes have positive return potential relative to other securities in the Fund's investment universe. Some of these methods evaluate individual securities or groups of securities based on the ratio of their price to historical financial information and forecasted financial information, such as book value, cash flow and earnings, and a comparison of these ratios to industry or market averages or to their own history. Other methods focus on patterns of information, such as price movement or volatility of a security or groups of securities relative to the Fund's investment universe or corporate behavior of an issuer. GMO also uses its multi-year return forecasts for asset classes and other groups of securities in its investment process and may adjust the Fund's portfolio based on factors such as position size, market capitalization, and exposure to particular industries, sectors, countries, regions, or currencies. At times, the Fund may have substantial exposure to a single asset class, sector, country, or region. The factors considered and investment methods used by GMO can change over time. GMO does not manage the Fund to, or control the Fund's risk relative to, any securities index or securities benchmark.

GMO considers the tax effects of a proposed trade in conjunction with the return forecast of the identified equities, and their potential contribution to the overall portfolio. GMO also may consider the Fund's realized and unrealized gains and losses, and current market conditions, because these factors also influence the decision to buy or sell securities.

As an alternative to investing directly in equities, the Fund may invest in exchange-traded and over-the-counter (OTC) derivatives and exchange-traded funds (ETFs). The Fund also may invest in derivatives and ETFs: (i) in an attempt to reduce investment exposures (which may result in a reduction below zero); (ii) in an attempt to adjust elements of the Fund's investment exposure; and (iii) as a substitute for securities lending. Derivatives used may include futures, options, forward currency contracts, and swap contracts. In addition, the Fund may lend its portfolio securities.

The Fund typically invests directly and indirectly (e.g., through underlying funds or derivatives) in equities of companies tied economically to countries other than the United States, including both developed and emerging countries. Under normal circumstances, the Fund invests directly and indirectly at least 80% of its assets in equities (see "Name Policies"). The term "equities" refers to direct and indirect investments in common and preferred stocks and other stock-related securities, such as convertible securities, depositary receipts, and exchange-traded equity real estate investment trusts (REITs) and income trusts.

The Fund also may invest in U.S. Treasury Fund and in money market funds unaffiliated with GMO.

Principal risks of investing in the Fund

The value of the Fund's shares changes with the value of the Fund's investments. Many factors can affect this value, and you may lose money by investing in the Fund. There can be no assurance that the Fund's tax management strategies will be effective, and you may incur tax liabilities that exceed your economic return. The Fund is a *non-diversified investment company* under the Investment Company Act of 1940, as amended, and therefore a decline in the market price of a particular security held by the Fund may affect the Fund's performance more than if the Fund were a diversified investment company. The principal risks of investing in the Fund are summarized below. For a more complete discussion of these risks, see "Description of Principal Risks."

- **Market Risk – Equities** – The market prices of equities may decline due to factors affecting the issuing companies, their industries, or the economy and equity markets generally. If the Fund purchases equities for less than their value as determined by GMO, the Fund runs the risk that the market prices of these equities will not appreciate or will decline for a variety of reasons, one of which may be GMO's incorrect assessment of their intrinsic value. The Fund also may purchase equities that typically trade at higher multiples of current earnings than other securities, and the market prices of these equities often are more sensitive to changes in future earnings expectations than the market prices of equities trading at lower multiples. Declines in stock market prices generally are likely to reduce the net asset value of the Fund's shares.
- **Non-U.S. Investment Risk** – The market prices of many non-U.S. securities fluctuate more than those of U.S. securities. Many non-U.S. securities markets are less stable, smaller, less liquid, and less regulated than U.S. securities markets, and the cost of trading in those markets often is higher than in U.S. securities markets. Non-U.S. portfolio transactions generally involve higher commission rates, transfer taxes, and custodial costs than similar transactions in the United States. In addition, the Fund may be subject to non-U.S. taxes, including potentially on a retroactive basis, on (i) capital gains it realizes or dividends, interest, or other amounts it realizes or accrues in respect of non-U.S. investments, (ii) transactions in those investments, and (iii) repatriation of proceeds generated from the sale or other disposition of those investments. Also, the Fund needs a license to invest directly in many non-U.S. securities markets, and the Fund is subject to the risk that it could not invest if its license were terminated or suspended. In some non-U.S. securities markets, prevailing custody and trade settlement practices (e.g., the requirement to pay for securities prior to receipt) expose the Fund to credit and other risks. Further, adverse changes in investment regulations, capital requirements or exchange controls could adversely affect the value of the Fund's investments. These and other risks (e.g., nationalization, expropriation or other confiscation of assets of non-U.S. issuers) tend to be greater for investments in companies tied economically to emerging countries, the economies of which may be predominantly based on only a few industries or dependent on revenues from particular commodities and which often are more volatile than the economies of developed countries.
- **Management and Operational Risk** – The Fund runs the risk that GMO's investment techniques will fail to produce desired results. GMO often uses quantitative analyses and models as part of its investment process. All models support portfolio decisions but are not necessarily predictive of future market events. These analyses and models also make simplifying assumptions that may limit their effectiveness. In addition, there are limitations (e.g., inaccuracies, staleness) on the data available for analysis or manipulation by the models. Any of those assumptions and/or limitations could adversely affect the Fund's performance. The Fund also runs the risk that GMO's assessment of an investment may be wrong or that deficiencies in GMO's or another service provider's internal systems or controls will cause losses for the Fund or impair Fund operations.
- **Currency Risk** – Fluctuations in exchange rates can adversely affect the market value of the Fund's foreign currency holdings and investments denominated in foreign currencies.
- **Illiquidity Risk** – Low trading volume, lack of a market maker, large position size, or legal restrictions may limit or prevent the Fund from selling particular securities or closing derivative positions at desirable prices.
- **Derivatives and Short Sales Risk** – The use of derivatives involves the risk that their value may not change as expected relative to changes in the value of the underlying assets, rates, or indices. Derivatives also present other risks, including market risk, illiquidity risk, currency risk, and counterparty risk. In addition, the risks of loss associated with derivatives that provide short investment exposure and short sales of securities are theoretically unlimited.

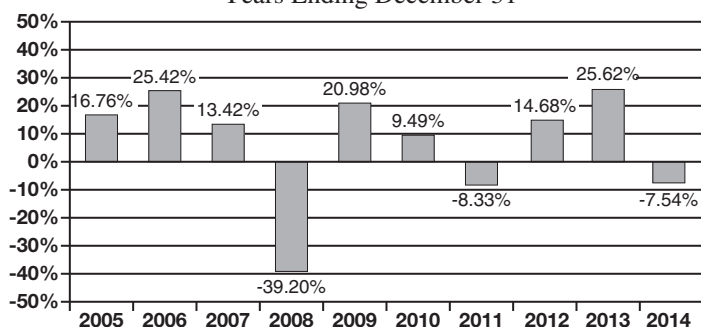
GMO TAX-MANAGED INTERNATIONAL EQUITIES FUND

- **Smaller Company Risk** – Smaller companies may have limited product lines, markets, or financial resources, may lack the competitive strength of larger companies, may have inexperienced managers or may depend on a few key employees. The securities of companies with smaller market capitalizations often are less widely held and trade less frequently and in lesser quantities, and their market prices often fluctuate more, than the securities of companies with larger market capitalizations.
- **Leveraging Risk** – The use of reverse repurchase agreements and other derivatives and securities lending creates leverage. Leverage increases the Fund's losses when the value of its investments (including derivatives) declines.
- **Counterparty Risk** – The Fund runs the risk that the counterparty to a derivatives contract, a clearing member used by the Fund to hold a cleared derivatives contract, or a borrower of the Fund's securities will be unable or unwilling to make timely settlement payments, return the Fund's margin or otherwise honor its obligations.
- **Market Disruption and Geopolitical Risk** – Geopolitical and other events may disrupt securities markets and adversely affect global economies and markets. Those events, as well as other changes in non-U.S. and U.S. economic and political conditions, could adversely affect the value of the Fund's investments.
- **Focused Investment Risk** – Investments focused in countries, regions, sectors, industries, or issuers that are subject to the same or similar risk factors and investments whose prices are strongly correlated are subject to greater overall risk than investments that are more diversified.
- **Large Shareholder Risk** – To the extent that a large number of shares of the Fund is held by a single shareholder (e.g., an institutional investor or another GMO Fund) or a group of shareholders with a common investment strategy (e.g., GMO asset allocation accounts), the Fund is subject to the risk that a redemption by those shareholders of all or a large portion of their Fund shares will cause the Fund to sell securities at disadvantageous prices or otherwise will disrupt the Fund's operations.

Performance

The bar chart and table below provide some indication of the risks of investing in the Fund by showing changes in the Fund's annual total returns from year to year for the periods indicated and by comparing the Fund's average annual total returns for different calendar periods with those of the Fund's benchmark (which is computed by GMO) and a broad-based international stock index. After-tax returns are calculated using the historical highest individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Actual after-tax returns depend on your tax situation and may differ from those shown. After-tax returns shown are not relevant if you are tax-exempt or if you hold your Fund shares through tax-deferred arrangements (such as a 401(k) plan or individual retirement account). Updated performance information for the Fund is available at www.gmo.com. Past performance (before and after taxes) is not an indication of future performance.

Annual Total Returns/Class III Shares
Years Ending December 31



Highest Quarter: 21.51% (2Q2009)
 Lowest Quarter: -20.34% (3Q2008)
 Year-to-Date (as of 3/31/15): 5.53%

Average Annual Total Returns
Periods Ending December 31, 2014

	1 Year	5 Years	10 Years	Incept.
Class III				7/29/98
Return Before Taxes	- 7.54%	5.98%	5.03%	6.61%
Return After Taxes on Distributions	- 8.13%	5.58%	4.42%	6.03%
Return After Taxes on Distributions and Sale of Fund Shares	- 3.25%	5.00%	4.46%	5.70%
MSCI EAFE Index (after tax) (Fund benchmark) (returns reflect no deduction for fees or expenses, but are net of withholding tax on dividend reinvestments)	- 6.33%	4.14%	3.37%	3.15%
MSCI EAFE Index (returns reflect no deduction for fees or expenses, but are net of withholding tax on dividend reinvestments)	- 4.90%	5.33%	4.43%	3.98%

Management of the Fund

Investment Adviser: Grantham, Mayo, Van Otterloo & Co. LLC

Investment Teams and Senior Members of GMO primarily responsible for portfolio management of the Fund:

Investment Team	Senior Member (Length of Service with Fund)	Title
Asset Allocation	Ben Inker (since 2013)	Co-Head, Asset Allocation Team and Co-Head, Developed Fixed Income Team, GMO.
Asset Allocation	Sam Wilderman (since 2013)	Co-Head, Asset Allocation Team and Co-Head, Developed Fixed Income Team, GMO.
Global Equity	Thomas Hancock (since the Fund's inception)	Co-Head, Global Equity Team, GMO.
Global Equity	David Cowan (since 2012)	Co-Head, Global Equity Team, GMO.

Additional information

For important information about purchase and sale of Fund shares, taxes, and financial intermediary compensation, please see "Additional Summary Information About the Funds" on page 144 of this Prospectus.

GMO INTERNATIONAL EQUITY FUND

Investment objective

High total return.

Fees and expenses

The table below describes the fees and expenses that you may bear for each class of shares if you buy and hold shares of the Fund.

Annual Fund operating expenses

(expenses that you bear each year as a percentage of the value of your investment)

	Class II	Class III	Class IV
Management fee	0.50% ¹	0.50% ¹	0.50% ¹
Shareholder service fee	0.22% ¹	0.15% ¹	0.09% ¹
Other expenses	0.04%	0.04%	0.04%
Total annual operating expenses	0.76%	0.69%	0.63%
Expense reimbursement/waiver	(0.04%) ¹	(0.04%) ¹	(0.04%) ¹
Total annual operating expenses after expense reimbursement/waiver	0.72%	0.65%	0.59%

¹ Grantham, Mayo, Van Otterloo & Co. LLC ("GMO") has contractually agreed to reimburse the Fund for the following expenses: audit expenses, fund accounting expenses, pricing service expenses, expenses of non-investment related tax services, transfer agency expenses, expenses of non-investment related legal services provided to the Fund by or at the direction of GMO, federal securities law filing expenses, printing expenses, state and federal registration fees and custody expenses. GMO also has contractually agreed to waive or reduce the Fund's management fees and shareholder service fees to the extent necessary to offset the management fees and shareholder service fees paid to GMO that are directly or indirectly borne by the Fund or a class of shares of the Fund as a result of the Fund's direct or indirect investments in other series of GMO Trust ("GMO Funds"). Management fees and shareholder service fees will not be waived below zero. This reimbursement and waiver will continue through at least June 30, 2016, and may not be terminated prior to this date without the action or consent of the Fund's Board of Trustees.

Example

This example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. The example assumes that you invest \$10,000 in the Fund for the time periods indicated, regardless of whether or not you redeem your shares at the end of such periods. The example also assumes that your investment has a 5% return each year and that the Fund's operating expenses remain the same as those shown in the table. The one year amounts shown reflect the expense reimbursement and waiver noted in the expense table. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

	1 Year	3 Years	5 Years	10 Years
Class II	\$74	\$239	\$418	\$939
Class III	\$66	\$217	\$380	\$855
Class IV	\$60	\$198	\$347	\$783

Portfolio turnover

The Fund pays transaction costs, such as commissions, when it buys and sells securities. A higher portfolio turnover rate may result in higher transaction costs and, when Fund shares are held in a taxable account, higher taxes. These costs, which are not reflected in Annual Fund operating expenses or in the Example, affect the Fund's performance. During its fiscal year ended February 28, 2015, the Fund's portfolio turnover rate (excluding short-term investments) was 70% of the average value of its portfolio.

Principal investment strategies

GMO seeks to achieve the Fund's investment objective by investing primarily in a portfolio of non-U.S. developed market equities that GMO believes will provide a higher return than the MSCI EAFE Index.

GMO selects the securities the Fund should buy or sell based on its evaluation of companies' published financial information and corporate behavior, securities' prices, equity and bond markets, and the overall economy.

In selecting securities for the Fund, GMO uses a combination of investment methods to identify securities that GMO believes have positive return potential relative to other securities in the Fund's investment universe. Some of these methods evaluate individual securities or groups of securities based on the ratio of their price to historical financial information and forecasted financial information, such as book value, cash flow and earnings, and a comparison of these ratios to industry or market averages or to their own history. Other methods focus on patterns of information, such as price movement or volatility of a security or groups of securities relative to the Fund's investment universe or corporate behavior of an issuer. GMO also uses its multi-year return forecasts for asset classes and other groups of securities in its investment process and may adjust the Fund's portfolio based on factors such as position size, market capitalization, and exposure to particular industries, sectors, countries, regions, or currencies. At times, the Fund may have substantial exposure to a single asset class, sector, country, or region. The factors considered and investment methods used by GMO can change over time. GMO does not manage the Fund to, or control the Fund's risk relative to, any securities index or securities benchmark.

As an alternative to investing directly in equities, the Fund may invest in exchange-traded and over-the-counter (OTC) derivatives and exchange-traded funds (ETFs). The Fund also may invest in derivatives and ETFs: (i) in an attempt to reduce investment exposures (which may result in a reduction below zero); (ii) in an attempt to adjust elements of the Fund's investment exposure; and (iii) as a substitute for securities lending. Derivatives used may include futures, options, forward currency contracts, and swap contracts. In addition, the Fund may lend its portfolio securities.

Under normal circumstances, the Fund invests directly and indirectly at least 80% of its assets in equities (see “Name Policies”). The term “equities” refers to direct and indirect investments in common and preferred stocks and other stock-related securities, such as convertible securities, depositary receipts, and exchange-traded equity real estate investment trusts (REITs) and income trusts.

The Fund also may invest in U.S. Treasury Fund and in money market funds unaffiliated with GMO.

Principal risks of investing in the Fund

The value of the Fund’s shares changes with the value of the Fund’s investments. Many factors can affect this value, and you may lose money by investing in the Fund. The principal risks of investing in the Fund are summarized below. For a more complete discussion of these risks, see “Description of Principal Risks.”

- *Market Risk – Equities* – The market prices of equities may decline due to factors affecting the issuing companies, their industries, or the economy and equity markets generally. If the Fund purchases equities for less than their value as determined by GMO, the Fund runs the risk that the market prices of these equities will not appreciate or will decline for a variety of reasons, one of which may be GMO’s incorrect assessment of their intrinsic value. The Fund also may purchase equities that typically trade at higher multiples of current earnings than other securities, and the market prices of these equities often are more sensitive to changes in future earnings expectations than the market prices of equities trading at lower multiples. Declines in stock market prices generally are likely to reduce the net asset value of the Fund’s shares.
- *Management and Operational Risk* – The Fund runs the risk that GMO’s investment techniques will fail to produce desired results. GMO often uses quantitative analyses and models as part of its investment process. All models support portfolio decisions but are not necessarily predictive of future market events. These analyses and models also make simplifying assumptions that may limit their effectiveness. In addition, there are limitations (e.g., inaccuracies, staleness) on the data available for analysis or manipulation by the models. Any of those assumptions and/or limitations could adversely affect the Fund’s performance. The Fund also runs the risk that GMO’s assessment of an investment may be wrong or that deficiencies in GMO’s or another service provider’s internal systems or controls will cause losses for the Fund or impair Fund operations.
- *Non-U.S. Investment Risk* – The market prices of many non-U.S. securities fluctuate more than those of U.S. securities. Many non-U.S. securities markets are less stable, smaller, less liquid, and less regulated than U.S. securities markets, and the cost of trading in those markets often is higher than in U.S. securities markets. Non-U.S. portfolio transactions generally involve higher commission rates, transfer taxes, and custodial costs than similar transactions in the United States. In addition, the Fund may be subject to non-U.S. taxes, including potentially on a retroactive basis, on (i) capital gains it realizes or dividends, interest, or other amounts it realizes or accrues in respect of non-U.S. investments, (ii) transactions in those investments, and (iii) repatriation of proceeds generated from the sale or other disposition of those investments. Also, the Fund needs a license to invest directly in many non-U.S. securities markets, and the Fund is subject to the risk that it could not invest if its license were terminated or suspended. In some non-U.S. securities markets, prevailing custody and trade settlement practices (e.g., the requirement to pay for securities prior to receipt) expose the Fund to credit and other risks. Further, adverse changes in investment regulations, capital requirements or exchange controls could adversely affect the value of the Fund’s investments. These and other risks (e.g., nationalization, expropriation or other confiscation of assets of non-U.S. issuers) tend to be greater for investments in companies tied economically to emerging countries, the economies of which may be predominantly based on only a few industries or dependent on revenues from particular commodities and which often are more volatile than the economies of developed countries.
- *Currency Risk* – Fluctuations in exchange rates can adversely affect the market value of the Fund’s foreign currency holdings and investments denominated in foreign currencies.
- *Derivatives and Short Sales Risk* – The use of derivatives involves the risk that their value may not change as expected relative to changes in the value of the underlying assets, rates, or indices. Derivatives also present other risks, including market risk, illiquidity risk, currency risk, and counterparty risk. In addition, the risks of loss associated with derivatives that provide short investment exposure and short sales of securities are theoretically unlimited.
- *Counterparty Risk* – The Fund runs the risk that the counterparty to a derivatives contract, a clearing member used by the Fund to hold a cleared derivatives contract, or a borrower of the Fund’s securities will be unable or unwilling to make timely settlement payments, return the Fund’s margin or otherwise honor its obligations.
- *Leveraging Risk* – The use of reverse repurchase agreements and other derivatives and securities lending creates leverage. Leverage increases the Fund’s losses when the value of its investments (including derivatives) declines.
- *Smaller Company Risk* – Smaller companies may have limited product lines, markets, or financial resources, may lack the competitive strength of larger companies, may have inexperienced managers or may depend on a few key employees. The securities of companies with smaller market capitalizations often are less widely held and trade less frequently and in lesser quantities, and their market prices often fluctuate more, than the securities of companies with larger market capitalizations.
- *Focused Investment Risk* – Investments focused in countries, regions, sectors, industries, or issuers that are subject to the same or similar risk factors and investments whose prices are strongly correlated are subject to greater overall risk than investments that are more diversified.
- *Illiquidity Risk* – Low trading volume, lack of a market maker, large position size, or legal restrictions may limit or prevent the Fund from selling particular securities or closing derivative positions at desirable prices.
- *Market Disruption and Geopolitical Risk* – Geopolitical and other events may disrupt securities markets and adversely affect global economies and markets. Those events, as well as other changes in non-U.S. and U.S. economic and political conditions, could adversely affect the value of the Fund’s investments.

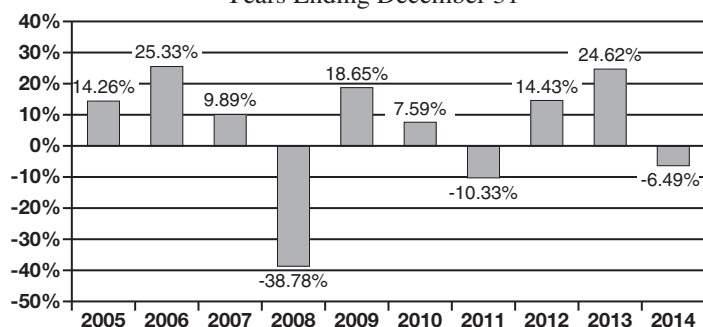
GMO INTERNATIONAL EQUITY FUND

- **Large Shareholder Risk** – To the extent that a large number of shares of the Fund is held by a single shareholder (e.g., an institutional investor or another GMO Fund) or a group of shareholders with a common investment strategy (e.g., GMO asset allocation accounts), the Fund is subject to the risk that a redemption by those shareholders of all or a large portion of their Fund shares will cause the Fund to sell securities at disadvantageous prices or otherwise will disrupt the Fund's operations.

Performance

The bar chart and table below provide some indication of the risks of investing in the Fund by showing changes in the Fund's annual total returns from year to year for the periods indicated and by comparing the Fund's average annual total returns for different calendar periods with those of the Fund's benchmark and an additional broad-based international stock index selected by GMO. After-tax returns are calculated using the historical highest individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Actual after-tax returns depend on your tax situation and may differ from those shown. After-tax returns shown are not relevant if you are tax-exempt or if you hold your Fund shares through tax-deferred arrangements (such as a 401(k) plan or individual retirement account). After-tax returns are shown for Class III shares only; after-tax returns for other classes will vary. Updated performance information for the Fund is available at www.gmo.com. Past performance (before and after taxes) is not an indication of future performance.

Annual Total Returns/Class III Shares
Years Ending December 31



Highest Quarter: 22.40% (2Q2009)
Lowest Quarter: -19.13% (3Q2011)
Year-to-Date (as of 3/31/15): 4.82%

Average Annual Total Returns
Periods Ending December 31, 2014

	1 Year	5 Years	10 Years	Incept.
Class II				9/26/96
Return Before Taxes	- 6.54%	5.09%	3.86%	6.43%
MSCI EAFE Index (Fund benchmark) (returns reflect no deduction for fees or expenses, but are net of withholding tax on dividend reinvestments) ^a	- 4.90%	5.33%	4.43%	4.68%
MSCI EAFE Value Index (Prior Fund benchmark) (returns reflect no deduction for fees or expenses, but are net of withholding tax on dividend reinvestments) ^b	- 5.39%	4.42%	3.89%	5.56%
Class III				3/31/87
Return Before Taxes	- 6.49%	5.17%	3.93%	7.88%
Return After Taxes on Distributions	- 8.05%	4.58%	2.92%	6.35%
Return After Taxes on Distributions and Sale of Fund Shares	- 1.86%	4.30%	3.55%	6.35%
MSCI EAFE Index (Fund benchmark) (returns reflect no deduction for fees or expenses, but are net of withholding tax on dividend reinvestments) ^a	- 4.90%	5.33%	4.43%	5.23%
MSCI EAFE Value Index (Prior Fund benchmark) (returns reflect no deduction for fees or expenses, but are net of withholding tax on dividend reinvestments) ^b	- 5.39%	4.42%	3.89%	6.90%
Class IV				1/9/98
Return Before Taxes	- 6.39%	5.23%	4.00%	6.85%
MSCI EAFE Index (Fund benchmark) (returns reflect no deduction for fees or expenses, but are net of withholding tax on dividend reinvestments) ^a	- 4.90%	5.33%	4.43%	4.98%
MSCI EAFE Value Index (Prior Fund benchmark) (returns reflect no deduction for fees or expenses, but are net of withholding tax on dividend reinvestments) ^b	- 5.39%	4.42%	3.89%	5.89%

^a Fund's benchmark effective June 30, 2014.

^b Effective June 30, 2014, the Fund changed its benchmark from the MSCI EAFE Value Index to the MSCI EAFE Index because GMO believes the MSCI EAFE Index is a more appropriate comparative, broad-based market index for the Fund.

Management of the Fund

Investment Adviser: Grantham, Mayo, Van Otterloo & Co. LLC

Investment Teams and Senior Members of GMO primarily responsible for portfolio management of the Fund:

Investment Team	Senior Member (Length of Service with Fund)	Title
Asset Allocation	Ben Inker (since 2013)	Co-Head, Asset Allocation Team and Co-Head, Developed Fixed Income Team, GMO.
Asset Allocation	Sam Wilderman (since 2013)	Co-Head, Asset Allocation Team and Co-Head, Developed Fixed Income Team, GMO.
Global Equity	Thomas Hancock (since 1998)	Co-Head, Global Equity Team, GMO.
Global Equity	David Cowan (since 2012)	Co-Head, Global Equity Team, GMO.

Additional information

For important information about purchase and sale of Fund shares, taxes, and financial intermediary compensation, please see “Additional Summary Information About the Funds” on page 144 of this Prospectus.

GMO INTERNATIONAL LARGE/MID CAP EQUITY FUND

Investment objective

High total return.

Fees and expenses

The table below describes the fees and expenses that you may bear for each class of shares if you buy and hold shares of the Fund.

Annual Fund operating expenses

(expenses that you bear each year as a percentage of the value of your investment)

	Class III	Class IV	Class VI
Management fee	0.38% ¹	0.38% ¹	0.38% ¹
Shareholder service fee	0.15% ¹	0.09% ¹	0.055% ¹
Other expenses	0.07%	0.07%	0.07%
Total annual operating expenses	0.60%	0.54%	0.51%
Expense reimbursement/waiver	(0.07%) ¹	(0.07%) ¹	(0.07%) ¹
Total annual operating expenses after expense reimbursement/waiver	0.53%	0.47%	0.44%

¹ Grantham, Mayo, Van Otterloo & Co. LLC ("GMO") has contractually agreed to reimburse the Fund for the following expenses: audit expenses, fund accounting expenses, pricing service expenses, expenses of non-investment related tax services, transfer agency expenses, expenses of non-investment related legal services provided to the Fund by or at the direction of GMO, federal securities law filing expenses, printing expenses, state and federal registration fees and custody expenses. GMO also has contractually agreed to waive or reduce the Fund's management fees and shareholder service fees to the extent necessary to offset the management fees and shareholder service fees paid to GMO that are directly or indirectly borne by the Fund or a class of shares of the Fund as a result of the Fund's direct or indirect investments in other series of GMO Trust ("GMO Funds"). Management fees and shareholder service fees will not be waived below zero. This reimbursement and waiver will continue through at least June 30, 2016, and may not be terminated prior to this date without the action or consent of the Fund's Board of Trustees.

Example

This example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. The example assumes that you invest \$10,000 in the Fund for the time periods indicated, regardless of whether or not you redeem your shares at the end of such periods. The example also assumes that your investment has a 5% return each year and that the Fund's operating expenses remain the same as those shown in the table. The one year amounts shown reflect the expense reimbursement and waiver noted in the expense table. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

	1 Year	3 Years	5 Years	10 Years
Class III	\$54	\$185	\$328	\$743
Class IV	\$48	\$166	\$295	\$670
Class VI	\$45	\$156	\$278	\$634

Portfolio turnover

The Fund pays transaction costs, such as commissions, when it buys and sells securities. A higher portfolio turnover rate may result in higher transaction costs and, when Fund shares are held in a taxable account, higher taxes. These costs, which are not reflected in Annual Fund operating expenses or in the Example, affect the Fund's performance. During its fiscal year ended February 28, 2015, the Fund's portfolio turnover rate (excluding short-term investments) was 82% of the average value of its portfolio.

Principal investment strategies

GMO seeks to achieve the Fund's investment objective by investing primarily in a portfolio of non-U.S. developed market equities that GMO believes will provide a higher return than the MSCI EAFE Index.

GMO selects the securities the Fund should buy or sell based on its evaluation of companies' published financial information and corporate behavior, securities' prices, equity and bond markets, and the overall economy.

In selecting securities for the Fund, GMO uses a combination of investment methods to identify securities that GMO believes have positive return potential relative to other securities in the Fund's investment universe. Some of these methods evaluate individual securities or groups of securities based on the ratio of their price to historical financial information and forecasted financial information, such as book value, cash flow and earnings, and a comparison of these ratios to industry or market averages or to their own history. Other methods focus on patterns of information, such as price movement or volatility of a security or groups of securities relative to the Fund's investment universe or corporate behavior of an issuer. GMO also uses its multi-year return forecasts for asset classes and other groups of securities in its investment process and may adjust the Fund's portfolio based on factors such as position size, market capitalization, and exposure to particular industries, sectors, countries, regions, or currencies. At times, the Fund may have substantial exposure to a single asset class, sector, country, or region. The factors considered and investment methods used by GMO can change over time. GMO does not manage the Fund to, or control the Fund's risk relative to, any securities index or securities benchmark.

As an alternative to investing directly in equities, the Fund may invest in exchange-traded and over-the-counter (OTC) derivatives and exchange-traded funds (ETFs). The Fund also may invest in derivatives and ETFs: (i) in an attempt to reduce investment exposures (which

may result in a reduction below zero); (ii) in an attempt to adjust elements of the Fund's investment exposure; and (iii) as a substitute for securities lending. Derivatives used may include futures, options, forward currency contracts, and swap contracts. In addition, the Fund may lend its portfolio securities.

Under normal circumstances, the Fund invests directly and indirectly at least 80% of its assets in equities (see "Name Policies"). In addition, under normal circumstances, the Fund invests directly and indirectly at least 80% of its assets in equities of large- and mid-cap companies (see "Name Policies"). The term "equities" refers to direct and indirect investments in common and preferred stocks and other stock-related securities, such as convertible securities, depositary receipts, and exchange-traded equity real estate investment trusts (REITs) and income trusts. The term "large- and mid-cap companies" means non-U.S. companies that issue stocks included in the MSCI Standard Indices and international stock indices that target approximately 85% of each market's free-float adjusted market capitalization, and companies with similar market capitalizations.

The Fund also may invest in U.S. Treasury Fund and in money market funds unaffiliated with GMO.

Principal risks of investing in the Fund

The value of the Fund's shares changes with the value of the Fund's investments. Many factors can affect this value, and you may lose money by investing in the Fund. The principal risks of investing in the Fund are summarized below. For a more complete discussion of these risks, see "Description of Principal Risks."

- *Market Risk – Equities* – The market prices of equities may decline due to factors affecting the issuing companies, their industries, or the economy and equity markets generally. If the Fund purchases equities for less than their value as determined by GMO, the Fund runs the risk that the market prices of these equities will not appreciate or will decline for a variety of reasons, one of which may be GMO's incorrect assessment of their intrinsic value. The Fund also may purchase equities that typically trade at higher multiples of current earnings than other securities, and the market prices of these equities often are more sensitive to changes in future earnings expectations than the market prices of equities trading at lower multiples. Declines in stock market prices generally are likely to reduce the net asset value of the Fund's shares.
- *Management and Operational Risk* – The Fund runs the risk that GMO's investment techniques will fail to produce desired results. GMO often uses quantitative analyses and models as part of its investment process. All models support portfolio decisions but are not necessarily predictive of future market events. These analyses and models also make simplifying assumptions that may limit their effectiveness. In addition, there are limitations (e.g., inaccuracies, staleness) on the data available for analysis or manipulation by the models. Any of those assumptions and/or limitations could adversely affect the Fund's performance. The Fund also runs the risk that GMO's assessment of an investment may be wrong or that deficiencies in GMO's or another service provider's internal systems or controls will cause losses for the Fund or impair Fund operations.
- *Non-U.S. Investment Risk* – The market prices of many non-U.S. securities fluctuate more than those of U.S. securities. Many non-U.S. securities markets are less stable, smaller, less liquid, and less regulated than U.S. securities markets, and the cost of trading in those markets often is higher than in U.S. securities markets. Non-U.S. portfolio transactions generally involve higher commission rates, transfer taxes, and custodial costs than similar transactions in the United States. In addition, the Fund may be subject to non-U.S. taxes, including potentially on a retroactive basis, on (i) capital gains it realizes or dividends, interest, or other amounts it realizes or accrues in respect of non-U.S. investments, (ii) transactions in those investments, and (iii) repatriation of proceeds generated from the sale or other disposition of those investments. Also, the Fund needs a license to invest directly in many non-U.S. securities markets, and the Fund is subject to the risk that it could not invest if its license were terminated or suspended. In some non-U.S. securities markets, prevailing custody and trade settlement practices (e.g., the requirement to pay for securities prior to receipt) expose the Fund to credit and other risks. Further, adverse changes in investment regulations, capital requirements or exchange controls could adversely affect the value of the Fund's investments. These and other risks (e.g., nationalization, expropriation or other confiscation of assets of non-U.S. issuers) tend to be greater for investments in companies tied economically to emerging countries, the economies of which may be predominantly based on only a few industries or dependent on revenues from particular commodities and which often are more volatile than the economies of developed countries.
- *Currency Risk* – Fluctuations in exchange rates can adversely affect the market value of the Fund's foreign currency holdings and investments denominated in foreign currencies.
- *Derivatives and Short Sales Risk* – The use of derivatives involves the risk that their value may not change as expected relative to changes in the value of the underlying assets, rates, or indices. Derivatives also present other risks, including market risk, illiquidity risk, currency risk, and counterparty risk. In addition, the risks of loss associated with derivatives that provide short investment exposure and short sales of securities are theoretically unlimited.
- *Counterparty Risk* – The Fund runs the risk that the counterparty to a derivatives contract, a clearing member used by the Fund to hold a cleared derivatives contract, or a borrower of the Fund's securities will be unable or unwilling to make timely settlement payments, return the Fund's margin or otherwise honor its obligations.

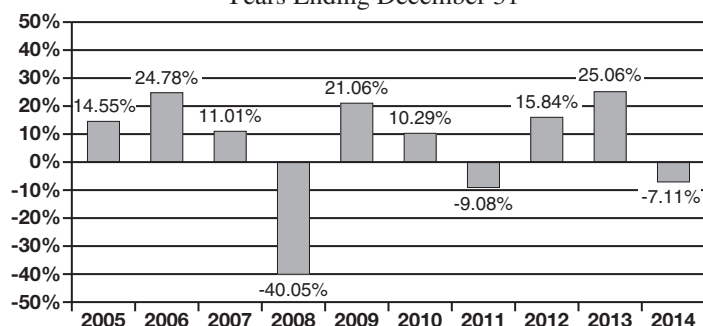
GMO INTERNATIONAL LARGE/MID CAP EQUITY FUND

- **Leveraging Risk** – The use of reverse repurchase agreements and other derivatives and securities lending creates leverage. Leverage increases the Fund's losses when the value of its investments (including derivatives) declines.
- **Focused Investment Risk** – Investments focused in countries, regions, sectors, industries, or issuers that are subject to the same or similar risk factors and investments whose prices are strongly correlated are subject to greater overall risk than investments that are more diversified.
- **Illiquidity Risk** – Low trading volume, lack of a market maker, large position size, or legal restrictions may limit or prevent the Fund from selling particular securities or closing derivative positions at desirable prices.
- **Market Disruption and Geopolitical Risk** – Geopolitical and other events may disrupt securities markets and adversely affect global economies and markets. Those events, as well as other changes in non-U.S. and U.S. economic and political conditions, could adversely affect the value of the Fund's investments.
- **Large Shareholder Risk** – To the extent that a large number of shares of the Fund is held by a single shareholder (e.g., an institutional investor or another GMO Fund) or a group of shareholders with a common investment strategy (e.g., GMO asset allocation accounts), the Fund is subject to the risk that a redemption by those shareholders of all or a large portion of their Fund shares will cause the Fund to sell securities at disadvantageous prices or otherwise will disrupt the Fund's operations.

Performance

The bar chart and table below provide some indication of the risks of investing in the Fund by showing changes in the Fund's annual total returns from year to year for the periods indicated and by comparing the Fund's average annual total returns for different calendar periods with those of a broad-based index. After-tax returns are calculated using the historical highest individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Actual after-tax returns depend on your tax situation and may differ from those shown. After-tax returns shown are not relevant if you are tax-exempt or if you hold your Fund shares through tax-deferred arrangements (such as a 401(k) plan or individual retirement account). After-tax returns are shown for Class III shares only; after-tax returns for other classes will vary. Updated performance information for the Fund is available at www.gmo.com. Past performance (before and after taxes) is not an indication of future performance.

Annual Total Returns/Class III Shares*
Years Ending December 31



Highest Quarter: 22.30% (2Q2009)
Lowest Quarter: -19.92% (3Q2008)
Year-to-Date (as of 3/31/15): 4.71%

Average Annual Total Returns*
Periods Ending December 31, 2014

	1 Year	5 Years	10 Years	Incept.
Class III				1/29/02
Return Before Taxes	- 7.11%	6.18%	4.51%	7.56%
Return After Taxes on Distributions	- 9.40%	5.25%	3.60%	6.69%
Return After Taxes on Distributions and Sale of Fund Shares	- 1.45%	5.14%	3.84%	6.41%
MSCI EAFE Index (returns reflect no deduction for fees or expenses, but are net of withholding tax on dividend reinvestments)	- 4.90%	5.33%	4.43%	6.57%
Class IV				6/30/03
Return Before Taxes	- 7.05%	6.24%	4.58%	7.77%
MSCI EAFE Index (returns reflect no deduction for fees or expenses, but are net of withholding tax on dividend reinvestments)	- 4.90%	5.33%	4.43%	7.71%
Class VI				3/28/06
Return Before Taxes	- 7.02%	6.27%	N/A	2.70%
MSCI EAFE Index (returns reflect no deduction for fees or expenses, but are net of withholding tax on dividend reinvestments)	- 4.90%	5.33%	N/A	2.59%

* The Fund is the successor to GMO International Disciplined Equity Fund, a former series of GMO Trust that had an investment objective and investment policies and restrictions substantially identical to those of the Fund. Performance of the Fund through September 16, 2005 is that of GMO International Disciplined Equity Fund and reflects GMO International Disciplined Equity Fund's annual operating expenses (0.02% higher than those of the Fund).

Management of the Fund

Investment Adviser: Grantham, Mayo, Van Otterloo & Co. LLC

Investment Teams and Senior Members of GMO primarily responsible for portfolio management of the Fund:

Investment Team	Senior Member (Length of Service with Fund)	Title
Asset Allocation	Ben Inker (since 2013)	Co-Head, Asset Allocation Team and Co-Head, Developed Fixed Income Team, GMO.
Asset Allocation	Sam Wilderman (since 2013)	Co-Head, Asset Allocation Team and Co-Head, Developed Fixed Income Team, GMO.
Global Equity	Thomas Hancock (since the Fund's inception)	Co-Head, Global Equity Team, GMO.
Global Equity	David Cowan (since 2012)	Co-Head, Global Equity Team, GMO.

Additional information

For important information about purchase and sale of Fund shares, taxes, and financial intermediary compensation, please see "Additional Summary Information About the Funds" on page 144 of this Prospectus.

Investment objective

Total return in excess of that of its benchmark, the MSCI EAFE Index.

Fees and expenses

The table below describes the fees and expenses that you may bear for each class of shares if you buy and hold shares of the Fund.

Annual Fund operating expenses

(expenses that you bear each year as a percentage of the value of your investment)

	Class II	Class III	Class IV
Management fee	0.60% ¹	0.60% ¹	0.60% ¹
Shareholder service fee	0.22% ¹	0.15% ¹	0.09% ¹
Other expenses	0.14%	0.14%	0.14%
Total annual operating expenses	0.96%	0.89%	0.83%
Expense reimbursement/waiver	(0.13%) ¹	(0.13%) ¹	(0.13%) ¹
Total annual operating expenses after expense reimbursement/waiver	0.83%	0.76%	0.70%

¹ *Grantham, Mayo, Van Otterloo & Co. LLC ("GMO") has contractually agreed to reimburse the Fund for the following expenses: audit expenses, fund accounting expenses, pricing service expenses, expenses of non-investment related tax services, transfer agency expenses, expenses of non-investment related legal services provided to the Fund by or at the direction of GMO, federal securities law filing expenses, printing expenses, state and federal registration fees and custody expenses. GMO also has contractually agreed to waive or reduce the Fund's management fees and shareholder service fees to the extent necessary to offset the management fees and shareholder service fees paid to GMO that are directly or indirectly borne by the Fund or a class of shares of the Fund as a result of the Fund's direct or indirect investments in other series of GMO Trust ("GMO Funds"). Management fees and shareholder service fees will not be waived below zero. This reimbursement and waiver will continue through at least June 30, 2016, and may not be terminated prior to this date without the action or consent of the Fund's Board of Trustees.*

Example

This example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. The example assumes that you invest \$10,000 in the Fund for the time periods indicated, regardless of whether or not you redeem your shares at the end of such periods. The example also assumes that your investment has a 5% return each year and that the Fund's operating expenses remain the same as those shown in the table. The one year amounts shown reflect the expense reimbursement and waiver noted in the expense table. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

	1 Year	3 Years	5 Years	10 Years
Class II	\$85	\$293	\$518	\$1,166
Class III	\$78	\$271	\$480	\$1,084
Class IV	\$72	\$252	\$448	\$1,013

Portfolio turnover

The Fund pays transaction costs, such as commissions, when it buys and sells securities. A higher portfolio turnover rate may result in higher transaction costs and, when Fund shares are held in a taxable account, higher taxes. These costs, which are not reflected in Annual Fund operating expenses or in the Example, affect the Fund's performance. During its fiscal year ended February 28, 2015, the Fund's portfolio turnover rate (excluding short-term investments) was 113% of the average value of its portfolio.

Principal investment strategies

The Fund typically invests directly and indirectly (e.g., through underlying funds or derivatives) in equities of companies tied economically to countries other than the United States (including both developed and emerging countries). The term "equities" refers to direct and indirect investments in common and preferred stocks and other stock-related securities, such as convertible securities, depositary receipts, and exchange-traded equity real estate investment trusts (REITs) and income trusts. Under normal circumstances, the Fund invests directly and indirectly (e.g., through underlying funds or derivatives) at least 80% of its assets in investments tied economically to countries other than the United States (see "Name Policies"), including both developed and emerging countries.

GMO selects investments using value-based fundamental analysis that is informed by a disciplined quantitative screening process. GMO analyzes companies for financial, operational, and managerial strength and compares them to their global, regional, and industry peers. GMO also considers a company's accounting and governance practices. As part of the investment process, GMO frequently meets with management and visits companies.

The factors considered and investment methods used by GMO can change over time.

In pursuing its investment objective, the Fund may (but is not obligated to) invest in a wide variety of exchange-traded and over-the-counter (OTC) derivatives, including, without limitation, forward currency contracts, futures and options, as well as exchange-traded funds (ETFs). The Fund's foreign currency exposure may differ from the currency exposure of its equity investments. In addition, the Fund may lend its portfolio securities.

The Fund also may invest in U.S. Treasury Fund and in money market funds unaffiliated with GMO.

Principal risks of investing in the Fund

The value of the Fund's shares changes with the value of the Fund's investments. Many factors can affect this value, and you may lose money by investing in the Fund. The Fund is a *non-diversified investment company* under the Investment Company Act of 1940, as amended, and therefore a decline in the market price of a particular security held by the Fund may affect the Fund's performance more than if the Fund were a diversified investment company. The principal risks of investing in the Fund are summarized below. For a more complete discussion of these risks, see "Description of Principal Risks."

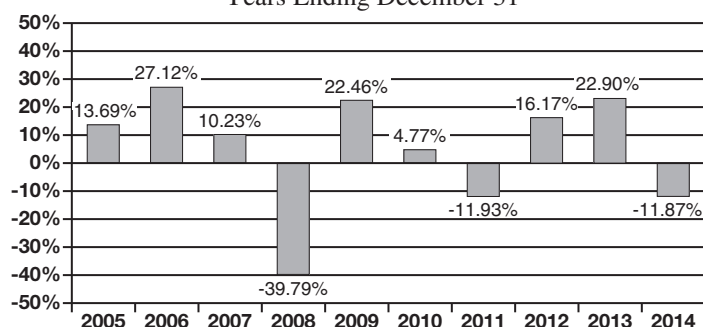
- **Market Risk – Equities** – The market prices of equities may decline due to factors affecting the issuing companies, their industries, or the economy and equity markets generally. If the Fund purchases equities for less than their value as determined by GMO, the Fund runs the risk that the market prices of these equities will not appreciate or will decline for a variety of reasons, one of which may be GMO's incorrect assessment of their intrinsic value. The Fund also may purchase equities that typically trade at higher multiples of current earnings than other securities, and the market prices of these equities often are more sensitive to changes in future earnings expectations than the market prices of equities trading at lower multiples. Declines in stock market prices generally are likely to reduce the net asset value of the Fund's shares.
- **Non-U.S. Investment Risk** – The market prices of many non-U.S. securities fluctuate more than those of U.S. securities. Many non-U.S. securities markets are less stable, smaller, less liquid, and less regulated than U.S. securities markets, and the cost of trading in those markets often is higher than in U.S. securities markets. Non-U.S. portfolio transactions generally involve higher commission rates, transfer taxes, and custodial costs than similar transactions in the United States. In addition, the Fund may be subject to non-U.S. taxes, including potentially on a retroactive basis, on (i) capital gains it realizes or dividends, interest, or other amounts it realizes or accrues in respect of non-U.S. investments, (ii) transactions in those investments, and (iii) repatriation of proceeds generated from the sale or other disposition of those investments. Also, the Fund needs a license to invest directly in many non-U.S. securities markets, and the Fund is subject to the risk that it could not invest if its license were terminated or suspended. In some non-U.S. securities markets, prevailing custody and trade settlement practices (e.g., the requirement to pay for securities prior to receipt) expose the Fund to credit and other risks. Further, adverse changes in investment regulations, capital requirements or exchange controls could adversely affect the value of the Fund's investments. These and other risks (e.g., nationalization, expropriation or other confiscation of assets of non-U.S. issuers) tend to be greater for investments in companies tied economically to emerging countries, the economies of which may be predominantly based on only a few industries or dependent on revenues from particular commodities and which often are more volatile than the economies of developed countries.
- **Currency Risk** – Fluctuations in exchange rates can adversely affect the market value of the Fund's foreign currency holdings and investments denominated in foreign currencies.
- **Management and Operational Risk** – The Fund runs the risk that GMO's investment techniques will fail to produce desired results. GMO often uses quantitative analyses and models as part of its investment process. All models support portfolio decisions but are not necessarily predictive of future market events. These analyses and models also make simplifying assumptions that may limit their effectiveness. In addition, there are limitations (e.g., inaccuracies, staleness) on the data available for analysis or manipulation by the models. Any of those assumptions and/or limitations could adversely affect the Fund's performance. The Fund also runs the risk that GMO's assessment of an investment may be wrong or that deficiencies in GMO's or another service provider's internal systems or controls will cause losses for the Fund or impair Fund operations.
- **Smaller Company Risk** – Smaller companies may have limited product lines, markets, or financial resources, may lack the competitive strength of larger companies, may have inexperienced managers or may depend on a few key employees. The securities of companies with smaller market capitalizations often are less widely held and trade less frequently and in lesser quantities, and their market prices often fluctuate more, than the securities of companies with larger market capitalizations.
- **Focused Investment Risk** – Investments focused in countries, regions, sectors, industries, or issuers that are subject to the same or similar risk factors and investments whose prices are strongly correlated are subject to greater overall risk than investments that are more diversified.
- **Market Disruption and Geopolitical Risk** – Geopolitical and other events may disrupt securities markets and adversely affect global economies and markets. Those events, as well as other changes in non-U.S. and U.S. economic and political conditions, could adversely affect the value of the Fund's investments.
- **Illiquidity Risk** – Low trading volume, lack of a market maker, large position size, or legal restrictions may limit or prevent the Fund from selling particular securities or closing derivative positions at desirable prices.
- **Counterparty Risk** – The Fund runs the risk that the counterparty to a derivatives contract, a clearing member used by the Fund to hold a cleared derivatives contract, or a borrower of the Fund's securities will be unable or unwilling to make timely settlement payments, return the Fund's margin or otherwise honor its obligations.
- **Leveraging Risk** – The use of reverse repurchase agreements and other derivatives and securities lending creates leverage. Leverage increases the Fund's losses when the value of its investments (including derivatives) declines.

- **Derivatives and Short Sales Risk** – The use of derivatives involves the risk that their value may not change as expected relative to changes in the value of the underlying assets, rates, or indices. Derivatives also present other risks, including market risk, illiquidity risk, currency risk, and counterparty risk. In addition, the risks of loss associated with derivatives that provide short investment exposure and short sales of securities are theoretically unlimited.
- **Large Shareholder Risk** – To the extent that a large number of shares of the Fund is held by a single shareholder (e.g., an institutional investor or another GMO Fund) or a group of shareholders with a common investment strategy (e.g., GMO asset allocation accounts), the Fund is subject to the risk that a redemption by those shareholders of all or a large portion of their Fund shares will cause the Fund to sell securities at disadvantageous prices or otherwise will disrupt the Fund's operations.

Performance

The bar chart and table below provide some indication of the risks of investing in the Fund by showing changes in the Fund's annual total returns from year to year for the periods indicated and by comparing the Fund's average annual total returns for different calendar periods with those of a broad-based index. After-tax returns are calculated using the historical highest individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Actual after-tax returns depend on your tax situation and may differ from those shown. After-tax returns shown are not relevant if you are tax-exempt or if you hold your Fund shares through tax-deferred arrangements (such as a 401(k) plan or individual retirement account). After-tax returns are shown for Class III shares only; after-tax returns for other classes will vary. Information on the Fund's return after taxes is unavailable prior to June 28, 1996, the date the Fund commenced operations as a registered investment company. Updated performance information for the Fund is available at www.gmo.com. Past performance (before and after taxes) is not an indication of future performance.

Annual Total Returns/Class III Shares
Years Ending December 31



Highest Quarter: 21.67% (2Q2009)
 Lowest Quarter: -19.80% (3Q2011)
 Year-to-Date (as of 3/31/15): 6.02%

Average Annual Total Returns^a
Periods Ending December 31, 2014

	1 Year	5 Years	10 Years	Incept.
Class II				9/30/96
Return Before Taxes	- 11.88%	2.95%	3.07%	6.35%
MSCI EAFE Index (returns reflect no deduction for fees or expenses, but are net of withholding tax on dividend reinvestments)	- 4.90%	5.33%	4.43%	4.66%
Class III^b				8/31/84
Return Before Taxes	- 11.87%	3.03%	3.15%	11.29%
Return After Taxes on Distributions	- 13.00%	2.40%	2.24%	N/A ^a
Return After Taxes on Distributions and Sale of Fund Shares	- 5.34%	2.61%	2.92%	N/A ^a
MSCI EAFE Index (returns reflect no deduction for fees or expenses, but are net of withholding tax on dividend reinvestments)	- 4.90%	5.33%	4.43%	9.08%
Class IV				1/9/98
Return Before Taxes	- 11.80%	3.07%	3.19%	6.27%
MSCI EAFE Index (returns reflect no deduction for fees or expenses, but are net of withholding tax on dividend reinvestments)	- 4.90%	5.33%	4.43%	4.98%

^a Information on the Fund's return after taxes is unavailable prior to June 28, 1996, the date the Fund commenced operations as a registered investment company. Prior to that date, the Fund operated as a private investment pool with investment objectives, policies, and guidelines that were substantially the same as those of the Fund.

^b Performance of Class III shares prior to June 28, 1996 is that of the private investment pool and reflects the pool's higher annual operating expenses. The pool was not registered as an investment company and therefore was not subject to restrictions imposed on the Fund by the Investment Company Act of 1940, as amended, and the Internal Revenue Code of 1986, as amended. Had the pool been subject to these restrictions, its performance may have been adversely affected.

Management of the Fund

Investment Adviser: Grantham, Mayo, Van Otterloo & Co. LLC

Investment Team and Senior Member of GMO primarily responsible for portfolio management of the Fund:

Investment Team	Senior Member (Length of Service with Fund)	Title
International Active	Drew Spangler (since 2011)	Head, International Active Team, GMO.

Additional information

For important information about purchase and sale of Fund shares, taxes, and financial intermediary compensation, please see “Additional Summary Information About the Funds” on page 144 of this Prospectus.

GMO FOREIGN SMALL COMPANIES FUND

Investment objective

Total return in excess of that of its benchmark, the S&P Developed ex-U.S. Small Cap Index.

Fees and expenses

The tables below describe the fees and expenses that you may bear for each class of shares if you buy and hold shares of the Fund.

Shareholder fees

(fees paid directly from your investment)

	Class III	Class IV
Purchase premium (as a percentage of amount invested)	0.50%	0.50%
Redemption fee (as a percentage of amount redeemed)	0.50%	0.50%

Annual Fund operating expenses

(expenses that you bear each year as a percentage of the value of your investment)

	Class III	Class IV
Management fee	0.70% ¹	0.70% ¹
Shareholder service fee	0.15% ¹	0.10% ¹
Other expenses	0.07%	0.07%
Total annual operating expenses	0.92%	0.87%
Expense reimbursement/waiver	(0.07%) ¹	(0.07%) ¹
Total annual operating expenses after expense reimbursement/waiver	0.85%	0.80%

¹ Grantham, Mayo, Van Otterloo & Co. LLC ("GMO") has contractually agreed to reimburse the Fund for the following expenses: audit expenses, fund accounting expenses, pricing service expenses, expenses of non-investment related tax services, transfer agency expenses, expenses of non-investment related legal services provided to the Fund by or at the direction of GMO, federal securities law filing expenses, printing expenses, state and federal registration fees and custody expenses. GMO also has contractually agreed to waive or reduce the Fund's management fees and shareholder service fees to the extent necessary to offset the management fees and shareholder service fees paid to GMO that are directly or indirectly borne by the Fund or a class of shares of the Fund as a result of the Fund's direct or indirect investments in other series of GMO Trust ("GMO Funds"). Management fees and shareholder service fees will not be waived below zero. This reimbursement and waiver will continue through at least June 30, 2016, and may not be terminated prior to this date without the action or consent of the Fund's Board of Trustees.

Example

This example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. The example assumes that you invest \$10,000 in the Fund for the time periods indicated. The example also assumes that your investment has a 5% return each year and that the Fund's operating expenses remain the same as those shown in the table. The one year amounts shown reflect the expense reimbursement and waiver noted in the expense table. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

	If you sell your shares				If you do not sell your shares			
	1 Year	3 Years	5 Years	10 Years	1 Year	3 Years	5 Years	10 Years
Class III	\$188	\$391	\$611	\$1,244	\$136	\$335	\$550	\$1,169
Class IV	\$183	\$375	\$584	\$1,185	\$131	\$319	\$523	\$1,111

Portfolio turnover

The Fund pays transaction costs, such as commissions, when it buys and sells securities. A higher portfolio turnover rate may result in higher transaction costs and, when Fund shares are held in a taxable account, higher taxes. These costs, which are not reflected in Annual Fund operating expenses or in the Example, affect the Fund's performance. During its fiscal year ended February 28, 2015, the Fund's portfolio turnover rate (excluding short-term investments) was 58% of the average value of its portfolio.

Principal investment strategies

The Fund typically invests directly and indirectly (e.g., through underlying funds or derivatives) in equities of companies tied economically to countries other than the United States (including both developed and emerging countries) whose outstanding publicly traded equities are in the lowest 25% of publicly traded market capitalization (float) in a particular country ("small companies"). The term "equities" refers to direct and indirect investments in common and preferred stocks and other stock-related securities, such as convertible securities, depositary receipts, and exchange-traded equity real estate investment trusts (REITs) and income trusts. Under normal circumstances, the Fund invests directly and indirectly at least 80% of its assets in securities of small companies that are tied economically to countries other than the United States (see "Name Policies"). The market capitalization range of companies whose equities are held by the Fund is generally within the market capitalization range of companies in the Fund's benchmark, which represents the lowest 15% of publicly traded market capitalization (float) of the S&P Broad Market Index in each country. Depending on the country, as of May 31, 2015, the market capitalization of the outstanding common stock and other stock-related securities of the largest company in a particular country included in the S&P Developed ex-U.S. Small Cap Index ranged from approximately \$571 million (New Zealand) to \$16.8 billion (Switzerland) (based on

exchange rates as of May 31, 2015). As of May 31, 2015, the publicly traded market capitalization of the largest small company (as defined by the Fund) ranged from approximately \$504 million (Egypt) to \$30.0 billion (Switzerland) (based on exchange rates as of May 31, 2015).

GMO selects investments using value-based fundamental analysis that is informed by a disciplined quantitative screening process. GMO analyzes companies for financial, operational, and managerial strength and compares them to their global, regional, and industry peers. GMO also considers a company's accounting and governance practices. As part of the investment process, GMO frequently meets with management and visits companies.

The factors considered and investment methods used by GMO can change over time.

In pursuing its investment objective, the Fund may (but is not obligated to) invest in a wide variety of exchange-traded and over-the-counter (OTC) derivatives, including, without limitation, forward currency contracts, futures and options, as well as exchange-traded funds (ETFs). The Fund's foreign currency exposure may differ from the currency exposure of its equity investments. In addition, the Fund may lend its portfolio securities.

The Fund also may invest in U.S. Treasury Fund and in money market funds unaffiliated with GMO.

Principal risks of investing in the Fund

The value of the Fund's shares changes with the value of the Fund's investments. Many factors can affect this value, and you may lose money by investing in the Fund. The principal risks of investing in the Fund are summarized below. For a more complete discussion of these risks, see "Description of Principal Risks."

- *Smaller Company Risk* – Smaller companies may have limited product lines, markets, or financial resources, may lack the competitive strength of larger companies, may have inexperienced managers or may depend on a few key employees. The securities of companies with smaller market capitalizations often are less widely held and trade less frequently and in lesser quantities, and their market prices often fluctuate more, than the securities of companies with larger market capitalizations.
- *Market Risk – Equities* – The market prices of equities may decline due to factors affecting the issuing companies, their industries, or the economy and equity markets generally. If the Fund purchases equities for less than their value as determined by GMO, the Fund runs the risk that the market prices of these equities will not appreciate or will decline for a variety of reasons, one of which may be GMO's incorrect assessment of their intrinsic value. The Fund also may purchase equities that typically trade at higher multiples of current earnings than other securities, and the market prices of these equities often are more sensitive to changes in future earnings expectations than the market prices of equities trading at lower multiples. Declines in stock market prices generally are likely to reduce the net asset value of the Fund's shares.
- *Non-U.S. Investment Risk* – The market prices of many non-U.S. securities fluctuate more than those of U.S. securities. Many non-U.S. securities markets are less stable, smaller, less liquid, and less regulated than U.S. securities markets, and the cost of trading in those markets often is higher than in U.S. securities markets. Non-U.S. portfolio transactions generally involve higher commission rates, transfer taxes, and custodial costs than similar transactions in the United States. In addition, the Fund may be subject to non-U.S. taxes, including potentially on a retroactive basis, on (i) capital gains it realizes or dividends, interest, or other amounts it realizes or accrues in respect of non-U.S. investments, (ii) transactions in those investments, and (iii) repatriation of proceeds generated from the sale or other disposition of those investments. Also, the Fund needs a license to invest directly in many non-U.S. securities markets, and the Fund is subject to the risk that it could not invest if its license were terminated or suspended. In some non-U.S. securities markets, prevailing custody and trade settlement practices (e.g., the requirement to pay for securities prior to receipt) expose the Fund to credit and other risks. Further, adverse changes in investment regulations, capital requirements or exchange controls could adversely affect the value of the Fund's investments. These and other risks (e.g., nationalization, expropriation or other confiscation of assets of non-U.S. issuers) tend to be greater for investments in companies tied economically to emerging countries, the economies of which may be predominantly based on only a few industries or dependent on revenues from particular commodities and which often are more volatile than the economies of developed countries.
- *Currency Risk* – Fluctuations in exchange rates can adversely affect the market value of the Fund's foreign currency holdings and investments denominated in foreign currencies.
- *Illiquidity Risk* – Low trading volume, lack of a market maker, large position size, or legal restrictions may limit or prevent the Fund from selling particular securities or closing derivative positions at desirable prices.
- *Management and Operational Risk* – The Fund runs the risk that GMO's investment techniques will fail to produce desired results. GMO often uses quantitative analyses and models as part of its investment process. All models support portfolio decisions but are not necessarily predictive of future market events. These analyses and models also make simplifying assumptions that may limit their effectiveness. In addition, there are limitations (e.g., inaccuracies, staleness) on the data available for analysis or manipulation by the models. Any of those assumptions and/or limitations could adversely affect the Fund's performance. The Fund also runs the risk that GMO's assessment of an investment may be wrong or that deficiencies in GMO's or another service provider's internal systems or controls will cause losses for the Fund or impair Fund operations.
- *Focused Investment Risk* – Investments focused in countries, regions, sectors, industries, or issuers that are subject to the same or similar risk factors and investments whose prices are strongly correlated are subject to greater overall risk than investments that are more diversified.

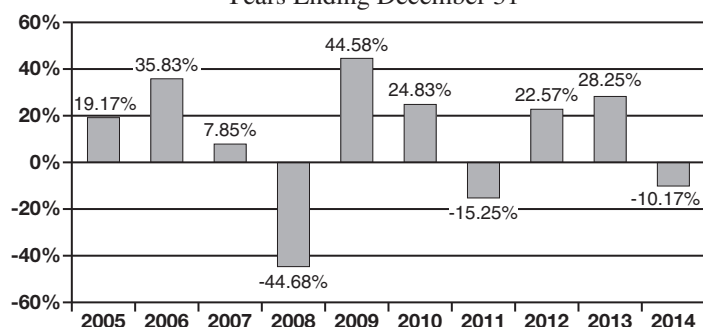
GMO FOREIGN SMALL COMPANIES FUND

- **Market Disruption and Geopolitical Risk** – Geopolitical and other events may disrupt securities markets and adversely affect global economies and markets. Those events, as well as other changes in non-U.S. and U.S. economic and political conditions, could adversely affect the value of the Fund's investments.
- **Counterparty Risk** – The Fund runs the risk that the counterparty to a derivatives contract, a clearing member used by the Fund to hold a cleared derivatives contract, or a borrower of the Fund's securities will be unable or unwilling to make timely settlement payments, return the Fund's margin or otherwise honor its obligations.
- **Leveraging Risk** – The use of reverse repurchase agreements and other derivatives and securities lending creates leverage. Leverage increases the Fund's losses when the value of its investments (including derivatives) declines.
- **Derivatives and Short Sales Risk** – The use of derivatives involves the risk that their value may not change as expected relative to changes in the value of the underlying assets, rates, or indices. Derivatives also present other risks, including market risk, illiquidity risk, currency risk, and counterparty risk. In addition, the risks of loss associated with derivatives that provide short investment exposure and short sales of securities are theoretically unlimited.
- **Large Shareholder Risk** – To the extent that a large number of shares of the Fund is held by a single shareholder (e.g., an institutional investor or another GMO Fund) or a group of shareholders with a common investment strategy (e.g., GMO asset allocation accounts), the Fund is subject to the risk that a redemption by those shareholders of all or a large portion of their Fund shares will cause the Fund to sell securities at disadvantageous prices or otherwise will disrupt the Fund's operations.

Performance

The bar chart and table below provide some indication of the risks of investing in the Fund by showing changes in the Fund's annual total returns from year to year for the periods indicated and by comparing the Fund's average annual total returns for different calendar periods with those of a broad-based index. Purchase premiums and redemption fees are not reflected in the bar chart, but are reflected in the table; as a result, the returns in the table are lower than the returns in the bar chart. Returns in the table reflect current purchase premiums and redemption fees. After-tax returns are calculated using the historical highest individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Actual after-tax returns depend on your tax situation and may differ from those shown. After-tax returns shown are not relevant if you are tax-exempt or if you hold your Fund shares through tax-deferred arrangements (such as a 401(k) plan or individual retirement account). After-tax returns are shown for Class III shares only; after-tax returns for other classes will vary. Updated performance information for the Fund is available at www.gmo.com. Past performance (before and after taxes) is not an indication of future performance.

Annual Total Returns/Class III Shares
Years Ending December 31



Highest Quarter: 31.25% (2Q2009)
Lowest Quarter: -24.05% (3Q2008)
Year-to-Date (as of 3/31/15): 7.00%

Average Annual Total Returns^a
Periods Ending December 31, 2014

	1 Year	5 Years	10 Years	Incept.
Class III^b				1/4/95
Return Before Taxes	- 11.07%	8.14%	7.52%	10.55%
Return After Taxes on Distributions	- 12.15%	7.49%	5.92%	N/A ^a
Return After Taxes on Distributions and Sale of Fund Shares	- 5.18%	6.56%	6.23%	N/A ^a
S&P Developed ex-U.S. Small Cap Index (reflects no deduction for fees, expenses, or taxes)	- 3.42%	8.52%	6.84%	6.99%
Class IV^c				6/14/02
Return Before Taxes	- 10.99%	8.21%	7.56%	10.88%
S&P Developed ex-U.S. Small Cap Index (reflects no deduction for fees, expenses, or taxes)	- 3.42%	8.52%	6.84%	10.04%

^a Information on the Fund's return after taxes is unavailable prior to June 30, 2000, the date the Fund commenced operations as a registered investment company. Prior to that date, the Fund operated as a private investment pool with investment objectives, policies, and guidelines that were substantially the same as those of the Fund.

^b Performance of Class III shares prior to June 30, 2000 is that of the private investment pool, restated to reflect the Fund's higher annual operating expenses. The pool was not registered as an investment company and therefore was not subject to certain restrictions imposed on the Fund by the Investment Company Act of 1940, as amended, and the Internal Revenue Code of 1986, as amended. Had the pool been subject to these restrictions, its performance may have been adversely affected.

^c For the period from March 16, 2009 to August 12, 2009, no Class IV shares were outstanding. The returns shown in the table for that period are those of Class III shares, which have higher expenses.

Management of the Fund

Investment Adviser: Grantham, Mayo, Van Otterloo & Co. LLC

Investment Team and Senior Member of GMO primarily responsible for portfolio management of the Fund:

Investment Team	Senior Member (Length of Service with Fund)	Title
International Active	Drew Spangler (since 2011)	Head, International Active Team, GMO.

Additional information

For important information about purchase and sale of Fund shares, taxes, and financial intermediary compensation, please see “Additional Summary Information About the Funds” on page 144 of this Prospectus.

GMO INTERNATIONAL SMALL COMPANIES FUND

Investment objective

High total return.

Fees and expenses

The tables below describe the fees and expenses that you may bear if you buy and hold shares of the Fund.

Shareholder fees

(fees paid directly from your investment)

	Class III
Purchase premium (as a percentage of amount invested)	0.50%
Redemption fee (as a percentage of amount redeemed)	0.50%

Annual Fund operating expenses

(expenses that you bear each year as a percentage of the value of your investment)

	Class III
Management fee	0.60% ¹
Shareholder service fee	0.15% ¹
Other expenses	0.19%
Total annual operating expenses	0.94%
Expense reimbursement/waiver	(0.17%) ¹
Total annual operating expenses after expense reimbursement/waiver	0.77%

¹ Grantham, Mayo, Van Otterloo & Co. LLC ("GMO") has contractually agreed to reimburse the Fund for the following expenses: audit expenses, fund accounting expenses, pricing service expenses, expenses of non-investment related tax services, transfer agency expenses, expenses of non-investment related legal services provided to the Fund by or at the direction of GMO, federal securities law filing expenses, printing expenses, state and federal registration fees and custody expenses. GMO also has contractually agreed to waive or reduce the Fund's management fees and shareholder service fees to the extent necessary to offset the management fees and shareholder service fees paid to GMO that are directly or indirectly borne by the Fund as a result of the Fund's direct or indirect investments in other series of GMO Trust ("GMO Funds"). Management fees and shareholder service fees will not be waived below zero. This reimbursement and waiver will continue through at least June 30, 2016, and may not be terminated prior to this date without the action or consent of the Fund's Board of Trustees.

Example

This example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. The example assumes that you invest \$10,000 in the Fund for the time periods indicated. The example also assumes that your investment has a 5% return each year and that the Fund's operating expenses remain the same as those shown in the table. The one year amounts shown reflect the expense reimbursement and waiver noted in the expense table. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

	If you sell your shares				If you do not sell your shares			
	1 Year	3 Years	5 Years	10 Years	1 Year	3 Years	5 Years	10 Years
Class III	\$180	\$387	\$612	\$1,258	\$128	\$331	\$551	\$1,183

Portfolio turnover

The Fund pays transaction costs, such as commissions, when it buys and sells securities. A higher portfolio turnover rate may result in higher transaction costs and, when Fund shares are held in a taxable account, higher taxes. These costs, which are not reflected in Annual Fund operating expenses or in the Example, affect the Fund's performance. During its fiscal year ended February 28, 2015, the Fund's portfolio turnover rate (excluding short-term investments) was 83% of the average value of its portfolio.

Principal investment strategies

GMO seeks to achieve the Fund's investment objective by investing primarily in a portfolio of equities that GMO believes will provide a higher return than the MSCI EAFE Small Cap Index.

GMO selects the securities the Fund should buy or sell based on its evaluation of companies' published financial information and corporate behavior, securities' prices, equity and bond markets, and the overall economy.

In selecting securities for the Fund, GMO uses a combination of investment methods to identify securities that GMO believes have positive return potential relative to other securities in the Fund's investment universe. Some of these methods evaluate individual securities or groups of securities based on the ratio of their price to historical financial information and forecasted financial information, such as book value, cash flow and earnings, and a comparison of these ratios to industry or market averages or to their own history. Other methods focus on patterns of information, such as price movement or volatility of a security or groups of securities relative to the Fund's investment universe or corporate behavior of an issuer. GMO also uses its multi-year return forecasts for asset classes and other groups of securities in its investment process and may adjust the Fund's portfolio based on factors such as position size, market capitalization, and

exposure to particular industries, sectors, countries, regions, or currencies. At times, the Fund may have substantial exposure to a single asset class, sector, country, or region. The factors considered and investment methods used by GMO can change over time. GMO does not manage the Fund to, or control the Fund's risk relative to, any securities index or securities benchmark.

As an alternative to investing directly in equities, the Fund may invest in exchange-traded and over-the-counter (OTC) derivatives and exchange-traded funds (ETFs). The Fund also may invest in derivatives and ETFs: (i) in an attempt to reduce investment exposures (which may result in a reduction below zero); (ii) in an attempt to adjust elements of the Fund's investment exposure; and (iii) as a substitute for securities lending. Derivatives used may include futures, options, forward currency contracts, and swap contracts. In addition, the Fund may lend its portfolio securities.

The Fund typically invests directly and indirectly (e.g., through underlying funds or derivatives) in equities of non-U.S. small companies. Under normal circumstances, the Fund invests directly and indirectly at least 80% of its assets in securities of small companies (see "Name Policies"). For these purposes, non-U.S. companies are companies tied economically to countries other than the United States, including both developed and emerging countries ("Non-U.S. Companies"). GMO considers "small companies" to be all Non-U.S. Companies other than (i) the largest 500 companies in developed countries based on full, non-float adjusted market capitalization and (ii) any company in an emerging country with a full, non-float adjusted market capitalization that is greater than or equal to that of the smallest excluded developed country companies. A company's full, non-float adjusted market capitalization includes all of the company's outstanding equities. As of May 31, 2015, the market capitalization of the outstanding common stock and other stock-related securities of the largest company included within the Fund's definition of small companies was approximately \$31.5 billion. For purposes of the Fund's investments, the term "equities" refers to direct and indirect investments in common and preferred stocks and other stock-related securities, such as convertible securities, depositary receipts, and exchange-traded equity real estate investment trusts (REITs) and income trusts.

The Fund also may invest in U.S. Treasury Fund and in money market funds unaffiliated with GMO.

Principal risks of investing in the Fund

The value of the Fund's shares changes with the value of the Fund's investments. Many factors can affect this value, and you may lose money by investing in the Fund. The principal risks of investing in the Fund are summarized below. For a more complete discussion of these risks, see "Description of Principal Risks."

- *Market Risk – Equities* – The market prices of equities may decline due to factors affecting the issuing companies, their industries, or the economy and equity markets generally. If the Fund purchases equities for less than their value as determined by GMO, the Fund runs the risk that the market prices of these equities will not appreciate or will decline for a variety of reasons, one of which may be GMO's incorrect assessment of their intrinsic value. The Fund also may purchase equities that typically trade at higher multiples of current earnings than other securities, and the market prices of these equities often are more sensitive to changes in future earnings expectations than the market prices of equities trading at lower multiples. Declines in stock market prices generally are likely to reduce the net asset value of the Fund's shares.
- *Management and Operational Risk* – The Fund runs the risk that GMO's investment techniques will fail to produce desired results. GMO often uses quantitative analyses and models as part of its investment process. All models support portfolio decisions but are not necessarily predictive of future market events. These analyses and models also make simplifying assumptions that may limit their effectiveness. In addition, there are limitations (e.g., inaccuracies, staleness) on the data available for analysis or manipulation by the models. Any of those assumptions and/or limitations could adversely affect the Fund's performance. The Fund also runs the risk that GMO's assessment of an investment may be wrong or that deficiencies in GMO's or another service provider's internal systems or controls will cause losses for the Fund or impair Fund operations.
- *Illiquidity Risk* – Low trading volume, lack of a market maker, large position size, or legal restrictions may limit or prevent the Fund from selling particular securities or closing derivative positions at desirable prices.
- *Non-U.S. Investment Risk* – The market prices of many non-U.S. securities fluctuate more than those of U.S. securities. Many non-U.S. securities markets are less stable, smaller, less liquid, and less regulated than U.S. securities markets, and the cost of trading in those markets often is higher than in U.S. securities markets. Non-U.S. portfolio transactions generally involve higher commission rates, transfer taxes, and custodial costs than similar transactions in the United States. In addition, the Fund may be subject to non-U.S. taxes, including potentially on a retroactive basis, on (i) capital gains it realizes or dividends, interest, or other amounts it realizes or accrues in respect of non-U.S. investments, (ii) transactions in those investments, and (iii) repatriation of proceeds generated from the sale or other disposition of those investments. Also, the Fund needs a license to invest directly in many non-U.S. securities markets, and the Fund is subject to the risk that it could not invest if its license were terminated or suspended. In some non-U.S. securities markets, prevailing custody and trade settlement practices (e.g., the requirement to pay for securities prior to receipt) expose the Fund to credit and other risks. Further, adverse changes in investment regulations, capital requirements or exchange controls could adversely affect the value of the Fund's investments. These and other risks (e.g., nationalization, expropriation or other confiscation of assets of non-U.S. issuers) tend to be greater for investments in companies tied economically to emerging countries, the economies of which may be predominantly based on only a few industries or dependent on revenues from particular commodities and which often are more volatile than the economies of developed countries.

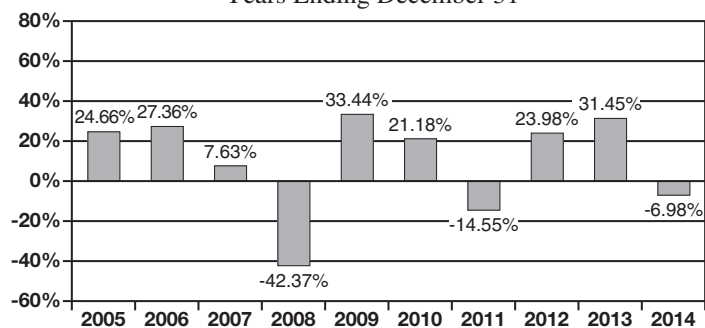
GMO INTERNATIONAL SMALL COMPANIES FUND

- **Currency Risk** – Fluctuations in exchange rates can adversely affect the market value of the Fund's foreign currency holdings and investments denominated in foreign currencies.
- **Derivatives and Short Sales Risk** – The use of derivatives involves the risk that their value may not change as expected relative to changes in the value of the underlying assets, rates, or indices. Derivatives also present other risks, including market risk, illiquidity risk, currency risk, and counterparty risk. In addition, the risks of loss associated with derivatives that provide short investment exposure and short sales of securities are theoretically unlimited.
- **Smaller Company Risk** – Smaller companies may have limited product lines, markets, or financial resources, may lack the competitive strength of larger companies, may have inexperienced managers or may depend on a few key employees. The securities of companies with smaller market capitalizations often are less widely held and trade less frequently and in lesser quantities, and their market prices often fluctuate more, than the securities of companies with larger market capitalizations.
- **Counterparty Risk** – The Fund runs the risk that the counterparty to a derivatives contract, a clearing member used by the Fund to hold a cleared derivatives contract, or a borrower of the Fund's securities will be unable or unwilling to make timely settlement payments, return the Fund's margin or otherwise honor its obligations.
- **Leveraging Risk** – The use of reverse repurchase agreements and other derivatives and securities lending creates leverage. Leverage increases the Fund's losses when the value of its investments (including derivatives) declines.
- **Focused Investment Risk** – Investments focused in countries, regions, sectors, industries, or issuers that are subject to the same or similar risk factors and investments whose prices are strongly correlated are subject to greater overall risk than investments that are more diversified.
- **Market Disruption and Geopolitical Risk** – Geopolitical and other events may disrupt securities markets and adversely affect global economies and markets. Those events, as well as other changes in non-U.S. and U.S. economic and political conditions, could adversely affect the value of the Fund's investments.
- **Large Shareholder Risk** – To the extent that a large number of shares of the Fund is held by a single shareholder (e.g., an institutional investor or another GMO Fund) or a group of shareholders with a common investment strategy (e.g., GMO asset allocation accounts), the Fund is subject to the risk that a redemption by those shareholders of all or a large portion of their Fund shares will cause the Fund to sell securities at disadvantageous prices or otherwise will disrupt the Fund's operations.

Performance

The bar chart and table below provide some indication of the risks of investing in the Fund by showing changes in the Fund's annual total returns from year to year for the periods indicated and by comparing the Fund's average annual total returns for different calendar periods with those of the Fund's benchmark (which is a broad-based index) and a composite index computed by GMO. Purchase premiums and redemption fees are not reflected in the bar chart, but are reflected in the table; as a result, the returns in the table are lower than the returns in the bar chart. Returns in the table reflect current purchase premiums and redemption fees. After-tax returns are calculated using the historical highest individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Actual after-tax returns depend on your tax situation and may differ from those shown. After-tax returns shown are not relevant if you are tax-exempt or if you hold your Fund shares through tax-deferred arrangements (such as a 401(k) plan or individual retirement account). Updated performance information for the Fund is available at www.gmo.com. Past performance (before and after taxes) is not an indication of future performance.

Annual Total Returns/Class III Shares
Years Ending December 31



Highest Quarter: 32.07% (2Q2009)
Lowest Quarter: -21.36% (3Q2011)
Year-to-Date (as of 3/31/15): 4.77%

Average Annual Total Returns
Periods Ending December 31, 2014

	1 Year	5 Years	10 Years	Incept.
Class III				10/14/91
Return Before Taxes	- 7.90%	9.22%	7.40%	9.28%
Return After Taxes on Distributions	- 13.09%	7.05%	4.26%	6.93%
Return After Taxes on Distributions and Sale of Fund Shares	- 0.40%	7.22%	5.93%	7.46%
MSCI EAFE Small Cap Index (Fund benchmark) (returns reflect no deductions for fees or expenses, but are net of withholding tax on dividend reinvestments)	- 4.95%	8.63%	6.04%	N/A
MSCI EAFE Small Cap + Index (Composite index)	- 4.95%	8.63%	7.16%	6.91%

Management of the Fund

Investment Adviser: Grantham, Mayo, Van Otterloo & Co. LLC

Investment Teams and Senior Members of GMO primarily responsible for portfolio management of the Fund:

Investment Team	Senior Member (Length of Service with Fund)	Title
Asset Allocation	Ben Inker (since 2013)	Co-Head, Asset Allocation Team and Co-Head, Developed Fixed Income Team, GMO.
Asset Allocation	Sam Wilderman (since 2013)	Co-Head, Asset Allocation Team and Co-Head, Developed Fixed Income Team, GMO.
Global Equity	Thomas Hancock (since 1998)	Co-Head, Global Equity Team, GMO.
Global Equity	David Cowan (since 2012)	Co-Head, Global Equity Team, GMO.

Additional information

For important information about purchase and sale of Fund shares, taxes, and financial intermediary compensation, please see “Additional Summary Information About the Funds” on page 144 of this Prospectus.

GMO U.S. EQUITY ALLOCATION FUND

Investment objective

High total return.

Fees and expenses

The table below describes the fees and expenses that you may bear for each class of shares if you buy and hold shares of the Fund.

Annual Fund operating expenses

(expenses that you bear each year as a percentage of the value of your investment)

	Class III	Class IV	Class V	Class VI
Management fee	0.31% ¹	0.31% ¹	0.31% ¹	0.31% ¹
Shareholder service fee	0.15% ¹	0.10% ¹	0.085% ¹	0.055% ¹
Other expenses	0.02%	0.02%	0.02%	0.02%
Total annual operating expenses	0.48%	0.43%	0.42%	0.39%
Expense reimbursement/waiver	(0.02%) ¹	(0.02%) ¹	(0.02%) ¹	(0.02%) ¹
Total annual operating expenses after expense reimbursement/waiver	0.46%	0.41%	0.40%	0.37%

¹ Grantham, Mayo, Van Otterloo & Co. LLC ("GMO") has contractually agreed to reimburse the Fund for the following expenses: audit expenses, fund accounting expenses, pricing service expenses, expenses of non-investment related tax services, transfer agency expenses, expenses of non-investment related legal services provided to the Fund by or at the direction of GMO, federal securities law filing expenses, printing expenses, state and federal registration fees and custody expenses. GMO also has contractually agreed to waive or reduce the Fund's management fees and shareholder service fees to the extent necessary to offset the management fees and shareholder service fees paid to GMO that are directly or indirectly borne by the Fund or a class of shares of the Fund as a result of the Fund's direct or indirect investments in other series of GMO Trust ("GMO Funds"). Management fees and shareholder service fees will not be waived below zero. This reimbursement and waiver will continue through at least June 30, 2016, and may not be terminated prior to this date without the action or consent of the Fund's Board of Trustees.

Example

This example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. The example assumes that you invest \$10,000 in the Fund for the time periods indicated, regardless of whether or not you redeem your shares at the end of such periods. The example also assumes that your investment has a 5% return each year and that the Fund's operating expenses remain the same as those shown in the table. The one year amounts shown reflect the expense reimbursement and waiver noted in the expense table. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

	<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>	<u>10 Years</u>
Class III	\$47	\$152	\$267	\$602
Class IV	\$42	\$136	\$239	\$540
Class V	\$41	\$133	\$233	\$528
Class VI	\$38	\$123	\$217	\$491

Portfolio turnover

The Fund pays transaction costs, such as commissions, when it buys and sells securities. A higher portfolio turnover rate may result in higher transaction costs and, when Fund shares are held in a taxable account, higher taxes. These costs, which are not reflected in Annual Fund operating expenses or in the Example, affect the Fund's performance. During its fiscal year ended February 28, 2015, the Fund's portfolio turnover rate (excluding short-term investments) was 67% of the average value of its portfolio.

Principal investment strategies

GMO seeks to achieve the Fund's investment objective by investing primarily in a portfolio of equities that GMO believes will provide a higher return than the S&P 500 Index.

GMO selects the securities the Fund should buy or sell based on its evaluation of companies' published financial information and corporate behavior, securities' prices, equity and bond markets, and the overall economy.

In selecting securities for the Fund, GMO uses a combination of investment methods to identify securities that GMO believes have positive return potential relative to other securities in the Fund's investment universe. Some of these methods evaluate individual securities or groups of securities based on the ratio of their price to historical financial information and forecasted financial information, such as book value, cash flow and earnings, and a comparison of these ratios to industry or market averages or to their own history. Other methods focus on patterns of information, such as price movement or volatility of a security or groups of securities relative to the Fund's investment universe or corporate behavior of an issuer. GMO also uses its multi-year return forecasts for asset classes and other groups of securities in its investment process and may adjust the Fund's portfolio based on factors such as position size, industry and sector exposure, and market capitalization. At times, the Fund may have substantial exposure to a single sector. The factors considered and investment methods used by GMO can change over time. GMO does not manage the Fund to, or control the Fund's risk relative to, any securities index or securities benchmark. The Fund may invest in companies of any market capitalization.

As an alternative to investing directly in equities, the Fund may invest in exchange-traded and over-the-counter (OTC) derivatives and exchange-traded funds (ETFs). The Fund also may invest in derivatives and ETFs: (i) in an attempt to reduce investment exposures (which may result in a reduction below zero); (ii) in an attempt to adjust elements of the Fund's investment exposure; and (iii) as a substitute for securities lending. Derivatives used may include futures, options, and swap contracts. In addition, the Fund may lend its portfolio securities.

Under normal circumstances, the Fund invests directly and indirectly (e.g., through underlying funds or derivatives) at least 80% of its assets in equities tied economically to the United States (see "Name Policies"). The term "equities" refers to direct and indirect investments in common and preferred stocks and other stock-related securities, such as convertible securities, depositary receipts, and exchange-traded equity real estate investment trusts (REITs) and income trusts.

The Fund also may invest in U.S. Treasury Fund and in money market funds unaffiliated with GMO.

Principal risks of investing in the Fund

The value of the Fund's shares changes with the value of the Fund's investments. Many factors can affect this value, and you may lose money by investing in the Fund. The principal risks of investing in the Fund are summarized below. For a more complete discussion of these risks, see "Description of Principal Risks."

- *Market Risk – Equities* – The market prices of equities may decline due to factors affecting the issuing companies, their industries, or the economy and equity markets generally. If the Fund purchases equities for less than their value as determined by GMO, the Fund runs the risk that the market prices of these equities will not appreciate or will decline for a variety of reasons, one of which may be GMO's incorrect assessment of their intrinsic value. The Fund also may purchase equities that typically trade at higher multiples of current earnings than other securities, and the market prices of these equities often are more sensitive to changes in future earnings expectations than the market prices of equities trading at lower multiples. Declines in stock market prices generally are likely to reduce the net asset value of the Fund's shares.
- *Management and Operational Risk* – The Fund runs the risk that GMO's investment techniques will fail to produce desired results. GMO often uses quantitative analyses and models as part of its investment process. All models support portfolio decisions but are not necessarily predictive of future market events. These analyses and models also make simplifying assumptions that may limit their effectiveness. In addition, there are limitations (e.g., inaccuracies, staleness) on the data available for analysis or manipulation by the models. Any of those assumptions and/or limitations could adversely affect the Fund's performance. The Fund also runs the risk that GMO's assessment of an investment may be wrong or that deficiencies in GMO's or another service provider's internal systems or controls will cause losses for the Fund or impair Fund operations.
- *Derivatives and Short Sales Risk* – The use of derivatives involves the risk that their value may not change as expected relative to changes in the value of the underlying assets, rates, or indices. Derivatives also present other risks, including market risk, illiquidity risk, and counterparty risk. In addition, the risks of loss associated with derivatives that provide short investment exposure and short sales of securities are theoretically unlimited.
- *Counterparty Risk* – The Fund runs the risk that the counterparty to a derivatives contract, a clearing member used by the Fund to hold a cleared derivatives contract, or a borrower of the Fund's securities will be unable or unwilling to make timely settlement payments, return the Fund's margin or otherwise honor its obligations.
- *Leveraging Risk* – The use of reverse repurchase agreements and other derivatives and securities lending creates leverage. Leverage increases the Fund's losses when the value of its investments (including derivatives) declines.
- *Smaller Company Risk* – Smaller companies may have limited product lines, markets, or financial resources, may lack the competitive strength of larger companies, may have inexperienced managers or may depend on a few key employees. The securities of companies with smaller market capitalizations often are less widely held and trade less frequently and in lesser quantities, and their market prices often fluctuate more, than the securities of companies with larger market capitalizations.
- *Focused Investment Risk* – Investments focused in sectors, industries, or issuers that are subject to the same or similar risk factors and investments whose prices are strongly correlated are subject to greater overall risk than investments that are more diversified.
- *Illiquidity Risk* – Low trading volume, lack of a market maker, large position size, or legal restrictions may limit or prevent the Fund from selling particular securities or closing derivative positions at desirable prices.
- *Market Disruption and Geopolitical Risk* – Geopolitical and other events may disrupt securities markets and adversely affect global economies and markets. Those events, as well as other changes in non-U.S. and U.S. economic and political conditions, could adversely affect the value of the Fund's investments.
- *Large Shareholder Risk* – To the extent that a large number of shares of the Fund is held by a single shareholder (e.g., an institutional investor or another GMO Fund) or a group of shareholders with a common investment strategy (e.g., GMO asset allocation accounts), the Fund is subject to the risk that a redemption by those shareholders of all or a large portion of their Fund shares will cause the Fund to sell securities at disadvantageous prices or otherwise will disrupt the Fund's operations.

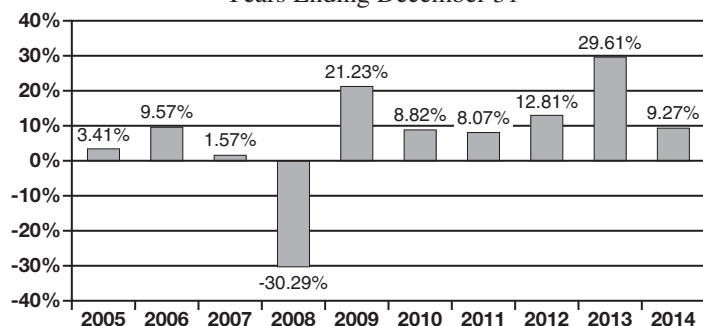
GMO U.S. EQUITY ALLOCATION FUND

Performance

The bar chart and table below provide some indication of the risks of investing in the Fund by showing changes in the Fund's annual total returns from year to year for the periods indicated and by comparing the Fund's average annual total returns for different calendar periods with those of a broad-based index. After-tax returns are calculated using the historical highest individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Actual after-tax returns depend on your tax situation and may differ from those shown. After-tax returns shown are not relevant if you are tax-exempt or if you hold your Fund shares through tax-deferred arrangements (such as a 401(k) plan or individual retirement account). After-tax returns are shown for Class III shares only; after-tax returns for other classes will vary. Updated performance information for the Fund is available at www.gmo.com. Past performance (before and after taxes) is not an indication of future performance.

Annual Total Returns/Class III Shares*

Years Ending December 31



Highest Quarter: 11.90% (3Q2010)
 Lowest Quarter: -16.34% (4Q2008)
 Year-to-Date (as of 3/31/15): 0.62%

Average Annual Total Returns*

Periods Ending December 31, 2014

	1 Year	5 Years	10 Years	Incept.
Class III				9/18/85
Return Before Taxes	9.27%	13.44%	6.21%	11.26%
Return After Taxes on Distributions	5.50%	12.37%	5.27%	8.65%
Return After Taxes on Distributions and Sale of Fund Shares	8.18%	10.78%	4.96%	8.58%
S&P 500 Index (reflects no deduction for fees, expenses, or taxes)	13.69%	15.45%	7.67%	11.19%
Class IV				1/9/98
Return Before Taxes	9.42%	13.50%	6.27%	6.58%
S&P 500 Index (reflects no deduction for fees, expenses, or taxes)	13.69%	15.45%	7.67%	6.75%
Class VI				6/30/03
Return Before Taxes	9.43%	13.56%	6.31%	7.59%
S&P 500 Index (reflects no deduction for fees, expenses, or taxes)	13.69%	15.45%	7.67%	8.93%

* The Fund is the successor to GMO U.S. Core Fund, a former series of GMO Trust that had an investment objective and investment policies and restrictions substantially identical to those of the Fund. Performance of the Fund through September 16, 2005 is that of GMO U.S. Core Fund and reflects GMO U.S. Core Fund's annual operating expenses (0.02% higher than those of the Fund). As of the date of this Prospectus, no Class V shares of the Fund or its predecessor have been outstanding since February 11, 2005. Class V shares would be invested in the same portfolio of securities as Class III shares. Annual returns would principally differ to the extent Class V shares do not have the same expenses as Class III shares.

Management of the Fund

Investment Adviser: Grantham, Mayo, Van Otterloo & Co. LLC

Investment Teams and Senior Members of GMO primarily responsible for portfolio management of the Fund:

Investment Team	Senior Member (Length of Service with Fund)	Title
Asset Allocation	Ben Inker (since 2013)	Co-Head, Asset Allocation Team and Co-Head, Developed Fixed Income Team, GMO.
Asset Allocation	Sam Wilderman (since 2013)	Co-Head, Asset Allocation Team and Co-Head, Developed Fixed Income Team, GMO.
Global Equity	Thomas Hancock (since 2009)	Co-Head, Global Equity Team, GMO.
Global Equity	David Cowan (since 2012)	Co-Head, Global Equity Team, GMO.

Additional information

For important information about purchase and sale of Fund shares, taxes, and financial intermediary compensation, please see "Additional Summary Information About the Funds" on page 144 of this Prospectus.

Investment objective

Total return in excess of that of its benchmark, the S&P/IFCI Composite Index.

Fees and expenses

The tables below describe the fees and expenses that you may bear for each class of shares if you buy and hold shares of the Fund.

Shareholder fees

(fees paid directly from your investment)

	Class II	Class III	Class IV	Class V	Class VI
Purchase premium (as a percentage of amount invested)	0.80%	0.80%	0.80%	0.80%	0.80%
Redemption fee (as a percentage of amount redeemed)	0.80% ¹	0.80% ¹	0.80% ¹	0.80%	0.80%

Annual Fund operating expenses

(expenses that you bear each year as a percentage of the value of your investment)

	Class II	Class III	Class IV	Class V	Class VI
Management fee	0.75% ²	0.75% ²	0.75% ²	0.75% ²	0.75% ²
Shareholder service fee	0.22% ²	0.15% ²	0.105% ²	0.085% ²	0.055% ²
Other expenses	0.12%	0.12%	0.12%	0.12%	0.12%
Acquired fund fees and expenses (underlying fund expenses)	0.03% ³	0.03% ³	0.03% ³	0.03% ³	0.03% ³
Total annual operating expenses	1.12%	1.05%	1.01%	0.99%	0.96%
Expense reimbursement/waiver	(0.03%) ²	(0.01%) ²	(0.01%) ²	(0.04%) ²	(0.04%) ²
Total annual operating expenses after expense reimbursement/waiver (Fund and underlying fund expenses)	1.09%	1.04%	1.00%	0.95%	0.92%

¹ Applies only to shares acquired on or after June 1, 1995 (including shares acquired by reinvestment of dividends or other distribution). With respect to Class III shares purchased through third-party intermediaries and any shares acquired prior to March 27, 2002, the level of redemption fee charged by the Fund is 0.40%.

² Grantham, Mayo, Van Otterloo & Co. LLC ("GMO") has contractually agreed to reimburse the Fund for the following expenses: audit expenses, fund accounting expenses, pricing service expenses, expenses of non-investment related tax services, transfer agency expenses, expenses of non-investment related legal services provided to the Fund by or at the direction of GMO, federal securities law filing expenses, printing expenses and state and federal registration fees. GMO also has contractually agreed to waive or reduce the Fund's management fees and shareholder service fees to the extent necessary to offset the management fees and shareholder service fees paid to GMO that are directly or indirectly borne by the Fund or a class of shares of the Fund as a result of the Fund's direct or indirect investments in other series of GMO Trust ("GMO Funds"). Management fees and shareholder service fees will not be waived below zero. In addition, GMO has contractually agreed to waive the shareholder service fees charged to each class of shares of the Fund to the extent necessary to prevent the shareholder service fees paid by the class from exceeding the following amounts of the class's average daily net assets: 0.20% for Class II shares, 0.15% for Class III shares, 0.10% for Class IV shares, 0.05% for Class V shares, and 0.02% for Class VI shares. This reimbursement and waiver will continue through at least June 30, 2016, and may not be terminated prior to this date without the action or consent of the Fund's Board of Trustees.

³ These indirect expenses include commissions paid to brokers by the Fund for executing transactions in unaffiliated underlying funds ("transaction fees"). Net fees and expenses of underlying funds (before addition of transaction fees) and indirect transaction fees were approximately 0.02 % and 0.01%, respectively.

Example

This example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. The example assumes that you invest \$10,000 in the Fund for the time periods indicated. The example also assumes that your investment has a 5% return each year and that the Fund's operating expenses remain the same as those shown in the table. The one year amounts shown reflect the expense reimbursement and waiver noted in the expense table. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

	If you sell your shares				If you do not sell your shares			
	1 Year	3 Years	5 Years	10 Years	1 Year	3 Years	5 Years	10 Years
Class II	\$273	\$521	\$789	\$1,556	\$190	\$432	\$693	\$1,440
Class III	\$268	\$502	\$754	\$1,479	\$185	\$413	\$658	\$1,362
Class IV	\$264	\$487	\$729	\$1,423	\$181	\$398	\$632	\$1,305
Class V	\$259	\$478	\$715	\$1,397	\$176	\$389	\$619	\$1,280
Class VI	\$256	\$469	\$700	\$1,363	\$173	\$379	\$603	\$1,245

Portfolio turnover

The Fund pays transaction costs, such as commissions, when it buys and sells securities. A higher portfolio turnover rate may result in higher transaction costs and, when Fund shares are held in a taxable account, higher taxes. These costs, which are not reflected in Annual Fund operating expenses or in the Example, affect the Fund's performance. During its fiscal year ended February 28, 2015, the Fund's portfolio turnover rate (excluding short-term investments) was 94% of the average value of its portfolio.

Principal investment strategies

The Fund typically invests directly and indirectly (e.g., through underlying funds or derivatives) in equities of companies tied economically to emerging markets. “Emerging markets” include all markets that are not treated as “developed markets” in the MSCI World Index or MSCI EAFE Index. The term “equities” refers to direct and indirect investments in common and preferred stocks and other stock-related securities, such as convertible securities, depositary receipts, and exchange-traded equity real estate investment trusts (REITs) and income trusts. Under normal circumstances, the Fund invests directly and indirectly at least 80% of its assets in investments tied economically to emerging markets (see “Name Policies”). In addition to investing in companies tied economically to emerging markets, the Fund may invest in companies that GMO believes are likely to benefit from growth in the emerging markets. GMO expects that the Fund will have a value bias relative to its benchmark.

GMO uses proprietary quantitative techniques and fundamental analysis to evaluate and select countries, sectors, and equity investments based on factors including, but not limited to, valuation and macroeconomic. The process begins with country and sector allocation and then focuses on the selection of individual companies. In constructing the Fund’s portfolio, GMO weighs a number of factors, including the trade-off among forecasted returns, risk relative to the benchmark, transaction costs, and liquidity. GMO also adjusts the Fund’s portfolio for factors such as position size, market capitalization, and exposure to particular industries, sectors, countries, regions, or currencies. The factors considered and investment methods used by GMO can change over time.

As an alternative to investing directly in equities, the Fund may invest in exchange-traded and over-the-counter (OTC) derivatives and exchange-traded funds (ETFs). The Fund also may invest in derivatives and ETFs: (i) in an attempt to reduce investment exposures (which may result in a reduction below zero); (ii) in an attempt to adjust elements of the Fund’s investment exposure; and (iii) as a substitute for securities lending. Derivatives used may include options, futures, warrants, swap contracts, and reverse repurchase agreements. The Fund’s foreign currency exposure may differ from the currency exposure represented by its equity investments. In addition, the Fund may overweight and underweight its positions in particular currencies relative to its benchmark. In addition, the Fund may lend its portfolio securities.

The Fund also may invest in U.S. Treasury Fund and in money market funds unaffiliated with GMO.

Principal risks of investing in the Fund

The value of the Fund’s shares changes with the value of the Fund’s investments. Many factors can affect this value, and you may lose money by investing in the Fund. The Fund is a *non-diversified investment company* under the Investment Company Act of 1940, as amended, and therefore a decline in the market price of a particular security held by the Fund may affect the Fund’s performance more than if the Fund were a diversified investment company. The principal risks of investing in the Fund are summarized below. For a more complete discussion of these risks, see “Description of Principal Risks.”

- **Market Risk – Equities** – The market prices of equities may decline due to factors affecting the issuing companies, their industries, or the economy and equity markets generally. If the Fund purchases equities for less than their value as determined by GMO, the Fund runs the risk that the market prices of these equities will not appreciate or will decline for a variety of reasons, one of which may be GMO’s incorrect assessment of their intrinsic value. The Fund also may purchase equities that typically trade at higher multiples of current earnings than other securities, and the market prices of these equities often are more sensitive to changes in future earnings expectations than the market prices of equities trading at lower multiples. Declines in stock market prices generally are likely to reduce the net asset value of the Fund’s shares.
- **Non-U.S. Investment Risk** – The market prices of many non-U.S. securities fluctuate more than those of U.S. securities. Many non-U.S. securities markets are less stable, smaller, less liquid, and less regulated than U.S. securities markets, and the cost of trading in those markets often is higher than in U.S. securities markets. Non-U.S. portfolio transactions generally involve higher commission rates, transfer taxes, and custodial costs than similar transactions in the United States. In addition, the Fund may be subject to non-U.S. taxes, including potentially on a retroactive basis, on (i) capital gains it realizes or dividends, interest, or other amounts it realizes or accrues in respect of non-U.S. investments, (ii) transactions in those investments, and (iii) repatriation of proceeds generated from the sale or other disposition of those investments. Also, the Fund needs a license to invest directly in many non-U.S. securities markets, and the Fund is subject to the risk that it could not invest if its license were terminated or suspended. In some non-U.S. securities markets, prevailing custody and trade settlement practices (e.g., the requirement to pay for securities prior to receipt) expose the Fund to credit and other risks. Further, adverse changes in investment regulations, capital requirements or exchange controls could adversely affect the value of the Fund’s investments. These and other risks (e.g., nationalization, expropriation or other confiscation of assets of non-U.S. issuers) tend to be greater for investments in companies tied economically to emerging markets, the economies of which may be predominantly based on only a few industries or dependent on revenues from particular commodities and which often are more volatile than the economies of developed markets.
- **Currency Risk** – Fluctuations in exchange rates can adversely affect the market value of the Fund’s foreign currency holdings and investments denominated in foreign currencies.

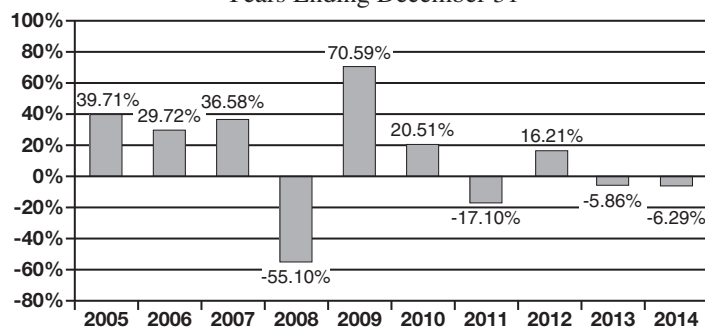
- *Management and Operational Risk* – The Fund runs the risk that GMO’s investment techniques will fail to produce desired results. GMO often uses quantitative analyses and models as part of its investment process. All models support portfolio decisions but are not necessarily predictive of future market events. These analyses and models also make simplifying assumptions that may limit their effectiveness. In addition, there are limitations (e.g., inaccuracies, staleness) on the data available for analysis or manipulation by the models. Any of those assumptions and/or limitations could adversely affect the Fund’s performance. The Fund also runs the risk that GMO’s assessment of an investment may be wrong or that deficiencies in GMO’s or another service provider’s internal systems or controls will cause losses for the Fund or impair Fund operations.
- *Illiquidity Risk* – Low trading volume, lack of a market maker, large position size, or legal restrictions may limit or prevent the Fund from selling particular securities or closing derivative positions at desirable prices.
- *Market Disruption and Geopolitical Risk* – Geopolitical and other events may disrupt securities markets and adversely affect global economies and markets. Those events, as well as other changes in non-U.S. and U.S. economic and political conditions, could adversely affect the value of the Fund’s investments.
- *Smaller Company Risk* – Smaller companies may have limited product lines, markets, or financial resources, may lack the competitive strength of larger companies, may have inexperienced managers or may depend on a few key employees. The securities of companies with smaller market capitalizations often are less widely held and trade less frequently and in lesser quantities, and their market prices often fluctuate more, than the securities of companies with larger market capitalizations.
- *Counterparty Risk* – The Fund runs the risk that the counterparty to a derivatives contract, a clearing member used by the Fund to hold a cleared derivatives contract, or a borrower of the Fund’s securities will be unable or unwilling to make timely settlement payments, return the Fund’s margin or otherwise honor its obligations.
- *Focused Investment Risk* – Investments focused in a limited number of countries and regions that are subject to the same or similar risk factors and investments whose prices are strongly correlated are subject to greater overall risk than investments that are more diversified.
- *Derivatives and Short Sales Risk* – The use of derivatives involves the risk that their value may not change as expected relative to changes in the value of the underlying assets, rates, or indices. Derivatives also present other risks, including market risk, illiquidity risk, currency risk, and counterparty risk. In addition, the risks of loss associated with derivatives that provide short investment exposure and short sales of securities are theoretically unlimited.
- *Fund of Funds Risk* – The Fund is indirectly exposed to all of the risks of an investment in the underlying funds in which it invests (including ETFs), including the risk that those underlying funds will not perform as expected.
- *Leveraging Risk* – The use of reverse repurchase agreements and other derivatives and securities lending creates leverage. Leverage increases the Fund’s losses when the value of its investments (including derivatives) declines.
- *Large Shareholder Risk* – To the extent that a large number of shares of the Fund is held by a single shareholder (e.g., an institutional investor or another GMO Fund) or a group of shareholders with a common investment strategy (e.g., GMO asset allocation accounts), the Fund is subject to the risk that a redemption by those shareholders of all or a large portion of their Fund shares will cause the Fund to sell securities at disadvantageous prices or otherwise will disrupt the Fund’s operations.

Performance

The bar chart and table below provide some indication of the risks of investing in the Fund by showing changes in the Fund’s annual total returns from year to year for the periods indicated and by comparing the Fund’s average annual total returns for different calendar periods with those of a broad-based index. Purchase premiums and redemption fees are not reflected in the bar chart, but are reflected in the table; as a result, the returns in the table are lower than the returns in the bar chart. Returns in the table reflect current purchase premiums and redemption fees. After-tax returns are calculated using the historical highest individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Actual after-tax returns depend on your tax situation and may differ from those shown. After-tax returns shown are not relevant if you are tax-exempt or if you hold your Fund shares through tax-deferred arrangements (such as a 401(k) plan or individual retirement account). After-tax returns are shown for Class III shares only; after-tax returns for other classes will vary. Updated performance information for the Fund is available at www.gmo.com. Past performance (before and after taxes) is not an indication of future performance.

GMO EMERGING MARKETS FUND

Annual Total Returns/Class III Shares
Years Ending December 31



Highest Quarter: 31.90% (2Q2009)
Lowest Quarter: -30.50% (4Q2008)
Year-to-Date (as of 3/31/15): 0.41%

Average Annual Total Returns
Periods Ending December 31, 2014

	1 Year	5 Years	10 Years	Incept.
Class II^a				11/29/96
Return Before Taxes	- 7.87%	0.10%	6.62%	8.09%
S&P/IFCI Composite Index (reflects no deduction for fees, expenses, or taxes)	- 1.12%	2.69%	9.37%	7.46%
Class III				12/9/93
Return Before Taxes	- 7.78%	0.16%	6.69%	7.67%
Return After Taxes on Distributions	- 8.30%	- 0.43%	4.80%	6.25%
Return After Taxes on Distributions and Sale of Fund Shares	- 3.62%	0.75%	6.30%	6.71%
S&P/IFCI Composite Index (reflects no deduction for fees, expenses, or taxes)	- 1.12%	2.69%	9.37%	6.25%
Class IV				1/9/98
Return Before Taxes	- 7.80%	0.20%	6.73%	9.43%
S&P/IFCI Composite Index (reflects no deduction for fees, expenses, or taxes)	- 1.12%	2.69%	9.37%	9.65%
Class V^b				8/4/03
Return Before Taxes	- 7.77%	0.25%	6.78%	11.23%
S&P/IFCI Composite Index (reflects no deduction for fees, expenses, or taxes)	- 1.12%	2.69%	9.37%	12.91%
Class VI				6/30/03
Return Before Taxes	- 7.73%	0.28%	6.81%	11.56%
S&P/IFCI Composite Index (reflects no deduction for fees, expenses, or taxes)	- 1.12%	2.69%	9.37%	13.32%

^a For the period from January 9, 1998 to August 12, 2009, no Class II shares were outstanding. The returns shown in the table for that period are those of Class III shares, which have been adjusted downward to reflect Class II's higher total annual operating expenses (Class II's expenses during these periods were calculated by adjusting Class III's actual total annual operating expenses during such periods upward by the current differential between "Total annual operating expenses" for Class II and Class III shares shown in the Fund's "Annual Fund operating expenses" table).

^b For the period from October 26, 2004 to February 11, 2005, no Class V shares were outstanding. The returns shown in the table for that period are those of Class IV shares, which have higher expenses.

Management of the Fund

Investment Adviser: Grantham, Mayo, Van Otterloo & Co. LLC

Investment Team and Senior Members of GMO primarily responsible for portfolio management of the Fund:

Investment Team	Senior Member (Length of Service with Fund)	Title
Emerging Markets	Arjun Divecha (since the Fund's inception)	Head, Emerging Markets Team, GMO.
Emerging Markets	Warren Chiang (since June 2015)	Portfolio Manager, Emerging Markets Team, GMO.

Additional information

For important information about purchase and sale of Fund shares, taxes, and financial intermediary compensation, please see "Additional Summary Information About the Funds" on page 144 of this Prospectus.

Investment objective

Total return in excess of that of its benchmark, the S&P/IFCI Composite Index.

Fees and expenses

The table below describes the fees and expenses that you may bear if you buy and hold shares of the Fund.

Annual Fund operating expenses

(expenses that you bear each year as a percentage of the value of your investment)

	Class III
Management fee	0.65% ¹
Shareholder service fee	0.15% ¹
Other expenses	0.71%
Acquired fund fees and expenses (underlying fund expenses)	0.01% ²
Total annual operating expenses	1.52%
Expense reimbursement/waiver	(0.28%) ¹
Total annual operating expenses after expense reimbursement/waiver (Fund and underlying fund expenses)	1.24%

¹ *Grantham, Mayo, Van Otterloo & Co. LLC ("GMO") has contractually agreed to reimburse the Fund for the portion of its "Specified Operating Expenses" (as defined below) that exceeds 0.35% of the Fund's average daily net assets. "Specified Operating Expenses" means only the following expenses: audit expenses, fund accounting expenses, pricing service expenses, expenses of non-investment related tax services, transfer agency expenses, expenses of non-investment related legal services provided to the Fund by or at the direction of GMO, federal securities law filing expenses, printing expenses, state and federal registration fees and custody expenses. GMO also has contractually agreed to waive or reduce the Fund's management fees and shareholder service fees to the extent necessary to offset the management fees and shareholder service fees paid to GMO that are directly or indirectly borne by the Fund as a result of the Fund's direct or indirect investments in other series of GMO Trust ("GMO Funds"). Management fees and shareholder service fees will not be waived below zero. This reimbursement and waiver will continue through at least June 30, 2016, and may not be terminated prior to this date without the action or consent of the Fund's Board of Trustees.*

² *These indirect expenses include commissions paid to brokers by the Fund for executing transactions in unaffiliated underlying funds ("transaction fees"). Net fees and expenses of underlying funds (before addition of transaction fees) and indirect transaction fees were 0.01% and less than 0.01%, respectively.*

Example

This example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. The example assumes that you invest \$10,000 in the Fund for the time periods indicated, regardless of whether or not you redeem your shares at the end of such periods. The example also assumes that your investment has a 5% return each year and that the Fund's operating expenses remain the same as those shown in the table. The one year amount shown reflects the expense reimbursement and waiver noted in the expense table. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

	<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>	<u>10 Years</u>
Class III	\$126	\$453	\$802	\$1,789

Portfolio turnover

The Fund pays transaction costs, such as commissions, when it buys and sells securities. A higher portfolio turnover rate may result in higher transaction costs and, when Fund shares are held in a taxable account, higher taxes. These costs, which are not reflected in Annual Fund operating expenses or in the Example, affect the Fund's performance. During its fiscal year ended February 28, 2015, the Fund's portfolio turnover rate (excluding short-term investments) was 74% of the average value of its portfolio.

Principal investment strategies

The Fund typically invests directly and indirectly (e.g., through underlying funds or derivatives) in equities of companies tied economically to emerging countries. "Emerging countries" include all countries that are not treated as "developed market countries" in the MSCI World Index or MSCI EAFE Index. The term "equities" refers to direct and indirect investments in common and preferred stocks and other stock-related securities, such as convertible securities, depositary receipts, and exchange-traded equity real estate investment trusts (REITs) and income trusts. Under normal circumstances, the Fund invests directly and indirectly at least 80% of its assets in investments tied economically to emerging countries (see "Name Policies"). In addition to investing in companies tied economically to emerging countries, the Fund may invest in companies that GMO believes are likely to benefit from growth in the emerging markets. GMO expects that the Fund will have a value bias relative to its benchmark. In general, the Fund typically invests in companies with larger market capitalizations than does Emerging Markets Fund.

GMO uses proprietary quantitative techniques and fundamental analysis to evaluate and select countries, sectors, and equity investments based on factors including, but not limited to, valuation and macroeconomic. The process begins with country and sector allocation and then focuses on the selection of individual companies. In constructing the Fund's portfolio, GMO weighs a number of factors, including the trade-off among forecasted returns, risk relative to the benchmark, transaction costs, and liquidity. GMO also adjusts the Fund's portfolio for factors such as position size, market capitalization, and exposure to particular industries, sectors, countries, regions, or currencies. The factors considered and investment methods used by GMO can change over time.

As an alternative to investing directly in equities, the Fund may invest in exchange-traded and over-the-counter (OTC) derivatives and exchange-traded funds (ETFs). The Fund also may invest in derivatives and ETFs: (i) in an attempt to reduce investment exposures (which may result in a reduction below zero); (ii) in an attempt to adjust elements of the Fund's investment exposure; and (iii) as a substitute for securities lending. Derivatives used may include options, futures, warrants, swap contracts, and reverse repurchase agreements. The Fund's foreign currency exposure may differ from the currency exposure represented by its equity investments. In addition, the Fund may overweight and underweight its positions in particular currencies relative to its benchmark. In addition, the Fund may lend its portfolio securities.

The Fund also may invest in U.S. Treasury Fund and in money market funds unaffiliated with GMO.

Principal risks of investing in the Fund

The value of the Fund's shares changes with the value of the Fund's investments. Many factors can affect this value, and you may lose money by investing in the Fund. The Fund is a *non-diversified investment company* under the Investment Company Act of 1940, as amended, and therefore a decline in the market price of a particular security held by the Fund may affect the Fund's performance more than if the Fund were a diversified investment company. The principal risks of investing in the Fund are summarized below. For a more complete discussion of these risks, see "Description of Principal Risks."

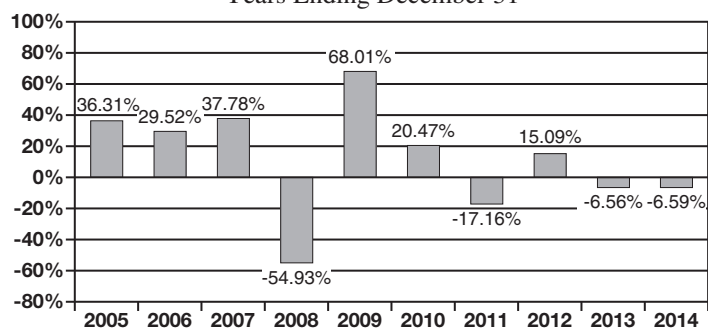
- **Market Risk – Equities** – The market prices of equities may decline due to factors affecting the issuing companies, their industries, or the economy and equity markets generally. If the Fund purchases equities for less than their value as determined by GMO, the Fund runs the risk that the market prices of these equities will not appreciate or will decline for a variety of reasons, one of which may be GMO's incorrect assessment of their intrinsic value. The Fund also may purchase equities that typically trade at higher multiples of current earnings than other securities, and the market prices of these equities often are more sensitive to changes in future earnings expectations than the market prices of equities trading at lower multiples. Declines in stock market prices generally are likely to reduce the net asset value of the Fund's shares.
- **Non-U.S. Investment Risk** – The market prices of many non-U.S. securities fluctuate more than those of U.S. securities. Many non-U.S. securities markets are less stable, smaller, less liquid, and less regulated than U.S. securities markets, and the cost of trading in those markets often is higher than in U.S. securities markets. Non-U.S. portfolio transactions generally involve higher commission rates, transfer taxes, and custodial costs than similar transactions in the United States. In addition, the Fund may be subject to non-U.S. taxes, including potentially on a retroactive basis, on (i) capital gains it realizes or dividends, interest, or other amounts it realizes or accrues in respect of non-U.S. investments, (ii) transactions in those investments, and (iii) repatriation of proceeds generated from the sale or other disposition of those investments. Also, the Fund needs a license to invest directly in many non-U.S. securities markets, and the Fund is subject to the risk that it could not invest if its license were terminated or suspended. In some non-U.S. securities markets, prevailing custody and trade settlement practices (e.g., the requirement to pay for securities prior to receipt) expose the Fund to credit and other risks. Further, adverse changes in investment regulations, capital requirements or exchange controls could adversely affect the value of the Fund's investments. These and other risks (e.g., nationalization, expropriation or other confiscation of assets of non-U.S. issuers) tend to be greater for investments in companies tied economically to emerging countries, the economies of which may be predominantly based on only a few industries or dependent on revenues from particular commodities and which often are more volatile than the economies of developed countries.
- **Currency Risk** – Fluctuations in exchange rates can adversely affect the market value of the Fund's foreign currency holdings and investments denominated in foreign currencies.
- **Management and Operational Risk** – The Fund runs the risk that GMO's investment techniques will fail to produce desired results. GMO often uses quantitative analyses and models as part of its investment process. All models support portfolio decisions but are not necessarily predictive of future market events. These analyses and models also make simplifying assumptions that may limit their effectiveness. In addition, there are limitations (e.g., inaccuracies, staleness) on the data available for analysis or manipulation by the models. Any of those assumptions and/or limitations could adversely affect the Fund's performance. The Fund also runs the risk that GMO's assessment of an investment may be wrong or that deficiencies in GMO's or another service provider's internal systems or controls will cause losses for the Fund or impair Fund operations.
- **Illiquidity Risk** – Low trading volume, lack of a market maker, large position size, or legal restrictions may limit or prevent the Fund from selling particular securities or closing derivative positions at desirable prices.
- **Market Disruption and Geopolitical Risk** – Geopolitical and other events may disrupt securities markets and adversely affect global economies and markets. Those events, as well as other changes in non-U.S. and U.S. economic and political conditions, could adversely affect the value of the Fund's investments.
- **Smaller Company Risk** – Smaller companies may have limited product lines, markets, or financial resources, may lack the competitive strength of larger companies, may have inexperienced managers or may depend on a few key employees. The securities of companies with smaller market capitalizations often are less widely held and trade less frequently and in lesser quantities, and their market prices often fluctuate more, than the securities of companies with larger market capitalizations.

- **Counterparty Risk** – The Fund runs the risk that the counterparty to a derivatives contract, a clearing member used by the Fund to hold a cleared derivatives contract, or a borrower of the Fund’s securities will be unable or unwilling to make timely settlement payments, return the Fund’s margin or otherwise honor its obligations.
- **Focused Investment Risk** – Investments focused in a limited number of countries and regions that are subject to the same or similar risk factors and investments whose prices are strongly correlated are subject to greater overall risk than investments that are more diversified.
- **Derivatives and Short Sales Risk** – The use of derivatives involves the risk that their value may not change as expected relative to changes in the value of the underlying assets, rates, or indices. Derivatives also present other risks, including market risk, illiquidity risk, currency risk, and counterparty risk. In addition, the risks of loss associated with derivatives that provide short investment exposure and short sales of securities are theoretically unlimited.
- **Fund of Funds Risk** – The Fund is indirectly exposed to all of the risks of an investment in the underlying funds in which it invests (including ETFs), including the risk that those underlying funds will not perform as expected.
- **Leveraging Risk** – The use of reverse repurchase agreements and other derivatives and securities lending creates leverage. Leverage increases the Fund’s losses when the value of its investments (including derivatives) declines.
- **Large Shareholder Risk** – To the extent that a large number of shares of the Fund is held by a single shareholder (e.g., an institutional investor or another GMO Fund) or a group of shareholders with a common investment strategy (e.g., GMO asset allocation accounts), the Fund is subject to the risk that a redemption by those shareholders of all or a large portion of their Fund shares will cause the Fund to sell securities at disadvantageous prices or otherwise will disrupt the Fund’s operations.

Performance

The bar chart and table below provide some indication of the risks of investing in the Fund by showing changes in the Fund’s annual total returns from year to year for the periods indicated and by comparing the Fund’s average annual total returns for different calendar periods with those of a broad-based index. After-tax returns are calculated using the historical highest individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Actual after-tax returns depend on your tax situation and may differ from those shown. After-tax returns shown are not relevant if you are tax-exempt or if you hold your Fund shares through tax-deferred arrangements (such as a 401(k) plan or individual retirement account). Updated performance information for the Fund is available at www.gmo.com. Past performance (before and after taxes) is not an indication of future performance.

Annual Total Returns/Class III Shares
Years Ending December 31



Highest Quarter: 31.14% (2Q2009)
Lowest Quarter: -31.38% (4Q2008)
Year-to-Date (as of 3/31/15): 1.72%

Average Annual Total Returns
Periods Ending December 31, 2014

	1 Year	5 Years	10 Years	Incept.
Class III				8/29/97
Return Before Taxes	- 6.59%	0.05%	6.32%	7.69%
Return After Taxes on Distributions	- 7.11%	- 0.11%	4.62%	6.31%
Return After Taxes on Distributions and Sale of Fund Shares	- 2.70%	0.46%	6.04%	6.91%
S&P/IFCI Composite Index (reflects no deduction for fees, expenses, or taxes)	- 1.12%	2.69%	9.37%	7.62%

Management of the Fund

Investment Adviser: Grantham, Mayo, Van Otterloo & Co. LLC

Investment Team and Senior Members of GMO primarily responsible for portfolio management of the Fund:

Investment Team	Senior Member (Length of Service with Fund)	Title
Emerging Markets	Arjun Divecha (since the Fund’s inception)	Head, Emerging Markets Team, GMO.
Emerging Markets	Warren Chiang (since June 2015)	Portfolio Manager, Emerging Markets Team, GMO.

Additional information

For important information about purchase and sale of Fund shares, taxes, and financial intermediary compensation, please see “Additional Summary Information About the Funds” on page 144 of this Prospectus.

GMO EMERGING DOMESTIC OPPORTUNITIES FUND

Investment objective

Total return.

Fees and expenses

The tables below describe the fees and expenses that you may bear for each class of shares if you buy and hold shares of the Fund.

Shareholder fees

(fees paid directly from your investment)

	Class II	Class III	Class IV	Class V	Class VI
Purchase premium (as a percentage of amount invested)	0.80%	0.80%	0.80%	0.80%	0.80%
Redemption fee (as a percentage of amount redeemed)	0.80%	0.80%	0.80%	0.80%	0.80%

Annual Fund operating expenses

(expenses that you bear each year as a percentage of the value of your investment)

	Class II	Class III	Class IV	Class V	Class VI
Management fee	0.75% ¹	0.75% ¹	0.75% ¹	0.75% ¹	0.75% ¹
Shareholder service fee	0.22% ¹	0.15% ¹	0.105% ¹	0.085% ¹	0.055% ¹
Other expenses	0.13%	0.13%	0.13%	0.13%	0.13%
Acquired fund fees and expenses (underlying fund expenses)	0.07% ²	0.07% ²	0.07% ²	0.07% ²	0.07% ²
Total annual operating expenses	1.17%	1.10%	1.06%	1.04%	1.01%
Expense reimbursement/waiver	(0.03%) ¹	(0.03%) ¹	(0.03%) ¹	(0.03%) ¹	(0.03%) ¹
Total annual operating expenses after expense reimbursement/waiver (Fund and underlying fund expenses)	1.14%	1.07%	1.03%	1.01%	0.98%

¹ Grantham, Mayo, Van Otterloo & Co. LLC ("GMO") has contractually agreed to reimburse the Fund for the following expenses: audit expenses, fund accounting expenses, pricing service expenses, expenses of non-investment related tax services, transfer agency expenses, expenses of non-investment related legal services provided to the Fund by or at the direction of GMO, federal securities law filing expenses, printing expenses, state and federal registration fees and any portion of custody expenses that exceeds 0.10% of the Fund's average daily net assets. GMO also has contractually agreed to waive or reduce the Fund's management fees and shareholder service fees to the extent necessary to offset the management fees and shareholder service fees paid to GMO that are directly or indirectly borne by the Fund or a class of shares of the Fund as a result of the Fund's direct or indirect investments in other series of GMO Trust ("GMO Funds"). Management fees and shareholder service fees will not be waived below zero. This reimbursement and waiver will continue through at least June 30, 2016, and may not be terminated prior to this date without the action or consent of the Fund's Board of Trustees.

² These indirect expenses include commissions paid to brokers by the Fund for executing transactions in unaffiliated underlying funds ("transaction fees"). Net fees and expenses of underlying funds (before addition of transaction fees) and indirect transaction fees were approximately 0.03% and 0.04%, respectively.

Example

This example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. The example assumes that you invest \$10,000 in the Fund for the time periods indicated. The example also assumes that your investment has a 5% return each year and that the Fund's operating expenses remain the same as those shown in the table. The one year amounts shown reflect the expense reimbursement and waiver noted in the expense table. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

	If you sell your shares				If you do not sell your shares			
	1 Year	3 Years	5 Years	10 Years	1 Year	3 Years	5 Years	10 Years
Class II	\$278	\$535	\$811	\$1,602	\$195	\$446	\$716	\$1,486
Class III	\$271	\$513	\$775	\$1,523	\$188	\$424	\$678	\$1,407
Class IV	\$267	\$501	\$753	\$1,478	\$184	\$412	\$657	\$1,361
Class V	\$265	\$495	\$743	\$1,455	\$182	\$405	\$647	\$1,338
Class VI	\$262	\$485	\$727	\$1,421	\$179	\$396	\$630	\$1,304

Portfolio turnover

The Fund pays transaction costs, such as commissions, when it buys and sells securities. A higher portfolio turnover rate may result in higher transaction costs and, when Fund shares are held in a taxable account, higher taxes. These costs, which are not reflected in Annual Fund operating expenses or in the Example, affect the Fund's performance. During its fiscal year ended February 28, 2015, the Fund's portfolio turnover rate (excluding short-term investments) was 204% of the average value of its portfolio.

Principal investment strategies

The Fund typically invests directly and indirectly (e.g., through underlying funds or derivatives) in equities of companies whose prospects are linked to the internal ("domestic") development and growth of the world's non-developed markets ("emerging markets"),

including companies that provide goods and services to emerging market consumers. “Emerging markets” include all markets that are not treated as “developed markets” in the MSCI World Index or MSCI EAFE Index.

The term “equities” refers to direct and indirect investments in common and preferred stocks and other stock-related securities, such as convertible securities, depositary receipts, and exchange-traded equity real estate investment trusts (REITs) and income trusts. Under normal circumstances, the Fund invests directly and indirectly at least 80% of its assets in investments related to emerging markets (see “Name Policies”). The Fund’s investments are not limited to investments in companies located in any particular country or geographic region, and often include investments in companies located in developed markets (e.g., the United States) that are related to, or whose prospects are linked to, emerging markets. GMO does not manage the Fund to, or control the Fund’s risk relative to, any index or benchmark.

GMO primarily uses fundamental analysis to evaluate and select countries, sectors, and companies that it believes are likely to benefit from domestic growth in emerging markets. The process begins with country and sector allocation and then focuses on the selection of individual companies. In evaluating and selecting investments, GMO may consider many factors, including GMO’s assessment of a country’s and/or sector’s fundamentals or growth prospects as well as a company’s positioning relative to its competitors. In constructing the Fund’s portfolio, GMO weighs a number of factors, including the trade-off among forecasted returns, risk, transaction costs, and liquidity. The factors considered and investment methods used by GMO can change over time.

As an alternative to investing directly in equities, the Fund may invest in exchange-traded and over-the-counter (OTC) derivatives and exchange-traded funds (ETFs). The Fund also may invest in derivatives and ETFs: (i) in an attempt to reduce investment exposures (which may result in a reduction below zero); (ii) in an attempt to adjust elements of the Fund’s investment exposure; and (iii) as a substitute for securities lending. Derivatives used may include options, futures, warrants, swap contracts, and reverse repurchase agreements. The Fund’s foreign currency exposure may differ from the currency exposure represented by its equity investments. In addition, the Fund may lend its portfolio securities.

The Fund also may invest in U.S. Treasury Fund and in money market funds unaffiliated with GMO.

Principal risks of investing in the Fund

The value of the Fund’s shares changes with the value of the Fund’s investments. Many factors can affect this value, and you may lose money by investing in the Fund. The Fund is a *non-diversified investment company* under the Investment Company Act of 1940, as amended, and therefore a decline in the market price of a particular security held by the Fund may affect the Fund’s performance more than if the Fund were a diversified investment company. The principal risks of investing in the Fund are summarized below. For a more complete discussion of these risks, see “Description of Principal Risks.”

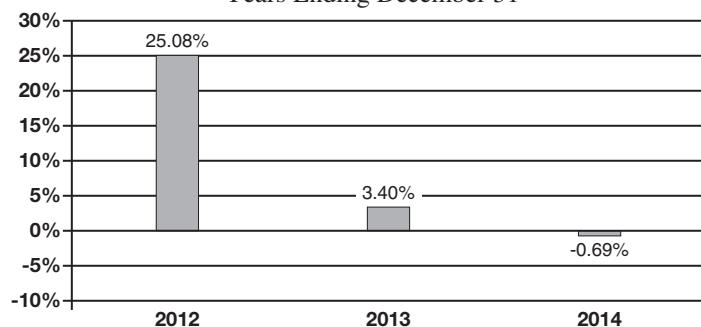
- **Market Risk – Equities** – The market prices of equities may decline due to factors affecting the issuing companies, their industries, or the economy and equity markets generally. If the Fund purchases equities for less than their value as determined by GMO, the Fund runs the risk that the market prices of these equities will not appreciate or will decline for a variety of reasons, one of which may be GMO’s incorrect assessment of their intrinsic value. The Fund also may purchase equities that typically trade at higher multiples of current earnings than other securities, and the market prices of these equities often are more sensitive to changes in future earnings expectations than the market prices of equities trading at lower multiples. Declines in stock market prices generally are likely to reduce the net asset value of the Fund’s shares.
- **Non-U.S. Investment Risk** – The market prices of many non-U.S. securities fluctuate more than those of U.S. securities. Many non-U.S. securities markets are less stable, smaller, less liquid, and less regulated than U.S. securities markets, and the cost of trading in those markets often is higher than in U.S. securities markets. Non-U.S. portfolio transactions generally involve higher commission rates, transfer taxes, and custodial costs than similar transactions in the United States. In addition, the Fund may be subject to non-U.S. taxes, including potentially on a retroactive basis, on (i) capital gains it realizes or dividends, interest, or other amounts it realizes or accrues in respect of non-U.S. investments, (ii) transactions in those investments, and (iii) repatriation of proceeds generated from the sale or other disposition of those investments. Also, the Fund needs a license to invest directly in many non-U.S. securities markets, and the Fund is subject to the risk that it could not invest if its license were terminated or suspended. In some non-U.S. securities markets, prevailing custody and trade settlement practices (e.g., the requirement to pay for securities prior to receipt) expose the Fund to credit and other risks. Further, adverse changes in investment regulations, capital requirements or exchange controls could adversely affect the value of the Fund’s investments. These and other risks (e.g., nationalization, expropriation or other confiscation of assets of non-U.S. issuers) tend to be greater for investments related to emerging markets, the economies of which may be predominantly based on only a few industries or dependent on revenues from particular commodities and which often are more volatile than the economies of developed markets.
- **Currency Risk** – Fluctuations in exchange rates can adversely affect the market value of the Fund’s foreign currency holdings and investments denominated in foreign currencies.

- *Management and Operational Risk* – The Fund runs the risk that GMO’s investment techniques will fail to produce desired results. GMO often uses quantitative analyses and models as part of its investment process. All models support portfolio decisions but are not necessarily predictive of future market events. These analyses and models also make simplifying assumptions that may limit their effectiveness. In addition, there are limitations (e.g., inaccuracies, staleness) on the data available for analysis or manipulation by the models. Any of those assumptions and/or limitations could adversely affect the Fund’s performance. The Fund also runs the risk that GMO’s assessment of an investment may be wrong or that deficiencies in GMO’s or another service provider’s internal systems or controls will cause losses for the Fund or impair Fund operations.
- *Illiquidity Risk* – Low trading volume, lack of a market maker, large position size, or legal restrictions may limit or prevent the Fund from selling particular securities or closing derivative positions at desirable prices.
- *Derivatives and Short Sales Risk* – The use of derivatives involves the risk that their value may not change as expected relative to changes in the value of the underlying assets, rates, or indices. Derivatives also present other risks, including market risk, illiquidity risk, currency risk, and counterparty risk. In addition, the risks of loss associated with derivatives that provide short investment exposure and short sales of securities are theoretically unlimited.
- *Market Disruption and Geopolitical Risk* – Geopolitical and other events may disrupt securities markets and adversely affect global economies and markets. Those events, as well as other changes in non-U.S. and U.S. economic and political conditions, could adversely affect the value of the Fund’s investments.
- *Smaller Company Risk* – Smaller companies may have limited product lines, markets, or financial resources, may lack the competitive strength of larger companies, may have inexperienced managers or may depend on a few key employees. The securities of companies with smaller market capitalizations often are less widely held and trade less frequently and in lesser quantities, and their market prices often fluctuate more, than the securities of companies with larger market capitalizations.
- *Counterparty Risk* – The Fund runs the risk that the counterparty to a derivatives contract, a clearing member used by the Fund to hold a cleared derivatives contract, or a borrower of the Fund’s securities will be unable or unwilling to make timely settlement payments, return the Fund’s margin or otherwise honor its obligations.
- *Focused Investment Risk* – The Fund’s investments in companies whose prospects are linked to the internal development and growth of emerging markets create additional risk because the performance of those companies is likely to be highly correlated.
- *Fund of Funds Risk* – The Fund is indirectly exposed to all of the risks of an investment in the underlying funds in which it invests (including ETFs), including the risk that those underlying funds will not perform as expected.
- *Leveraging Risk* – The use of reverse repurchase agreements and other derivatives and securities lending creates leverage. Leverage increases the Fund’s losses when the value of its investments (including derivatives) declines.
- *Large Shareholder Risk* – To the extent that a large number of shares of the Fund is held by a single shareholder (e.g., an institutional investor or another GMO Fund) or a group of shareholders with a common investment strategy (e.g., GMO asset allocation accounts), the Fund is subject to the risk that a redemption by those shareholders of all or a large portion of their Fund shares will cause the Fund to sell securities at disadvantageous prices or otherwise will disrupt the Fund’s operations.

Performance

The bar chart and table below provide some indication of the risks of investing in the Fund by showing changes in the Fund’s annual total returns from year to year for the periods indicated and by comparing the Fund’s average annual total returns for different calendar periods with those of a broad-based index. Purchase premiums and redemption fees are not reflected in the bar chart, but are reflected in the table; as a result, the returns in the table are lower than the returns in the bar chart. Returns in the table reflect current purchase premiums and redemption fees. After-tax returns are calculated using the historical highest individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Actual after-tax returns depend on your tax situation and may differ from those shown. After-tax returns shown are not relevant if you are tax-exempt or if you hold your Fund shares through tax-deferred arrangements (such as a 401(k) plan or individual retirement account). After-tax returns are shown for Class II shares only; after-tax returns for other classes will vary. Updated performance information for the Fund is available at www.gmo.com. Past performance (before and after taxes) is not an indication of future performance.

Annual Total Returns/Class II Shares
Years Ending December 31



Highest Quarter: 12.66% (1Q2012)
Lowest Quarter: - 4.53% (2Q2013)
Year-to-Date (as of 3/31/15): 3.86%

Average Annual Total Returns
Periods Ending December 31, 2014

	1 Year	5 Years	10 Years	Incept.
Class II				3/24/11
Return Before Taxes	- 2.27%	N/A	N/A	4.39%
Return After Taxes on Distributions	- 2.45%	N/A	N/A	3.95%
Return After Taxes on Distributions and Sale of Fund Shares	- 0.74%	N/A	N/A	3.47%
MSCI Emerging Markets Index (returns reflect no deduction for fees or expenses, but are net of withholding tax on dividend reinvestments)	- 2.19%	N/A	N/A	- 1.92%
Class III				6/29/12
Return Before Taxes	- 2.14%	N/A	N/A	6.32%
MSCI Emerging Markets Index (returns reflect no deduction for fees or expenses, but are net of withholding tax on dividend reinvestments)	- 2.19%	N/A	N/A	3.27%
Class IV				5/2/12
Return Before Taxes	- 2.12%	N/A	N/A	4.18%
MSCI Emerging Markets Index (returns reflect no deduction for fees or expenses, but are net of withholding tax on dividend reinvestments)	- 2.19%	N/A	N/A	- 0.18%
Class V				11/29/13
Return Before Taxes	- 2.11%	N/A	N/A	- 2.44%
MSCI Emerging Markets Index (returns reflect no deduction for fees or expenses, but are net of withholding tax on dividend reinvestments)	- 2.19%	N/A	N/A	- 3.33%
Class VI				9/19/11
Return Before Taxes	- 2.07%	N/A	N/A	6.13%
MSCI Emerging Markets Index (returns reflect no deduction for fees or expenses, but are net of withholding tax on dividend reinvestments)	- 2.19%	N/A	N/A	2.69%

Management of the Fund

Investment Adviser: Grantham, Mayo, Van Otterloo & Co. LLC

Sub-Adviser: GMO Singapore Pte. Limited ("GMO Singapore")

Investment Team and Senior Members of GMO and/or GMO Singapore primarily responsible for portfolio management of the Fund:

Investment Team	Senior Member (Length of Service with Fund)	Title
Emerging Markets	Arjun Divecha (since the Fund's inception)	Head, Emerging Markets Team, GMO.
Emerging Markets	Amit Bhartia (since the Fund's inception)	Member, Emerging Markets Team, GMO Singapore.

Additional information

For important information about purchase and sale of Fund shares, taxes, and financial intermediary compensation, please see "Additional Summary Information About the Funds" on page 144 of this Prospectus.

Investment objective

Total return.

Fees and expenses

The table below describes the fees and expenses that you may bear for each class of shares if you buy and hold shares of the Fund.

Annual Fund operating expenses

(expenses that you bear each year as a percentage of the value of your investment)

	Class III	Class IV	Class V	Class VI
Management fee	0.33% ¹	0.33% ¹	0.33% ¹	0.33% ¹
Shareholder service fee	0.15% ¹	0.105% ¹	0.085% ¹	0.055% ¹
Other expenses	0.02%	0.02%	0.02%	0.02%
Total annual operating expenses	0.50%	0.46%	0.44%	0.41%
Expense reimbursement/waiver	(0.02%) ¹	(0.02%) ¹	(0.02%) ¹	(0.02%) ¹
Total annual operating expenses after expense reimbursement/waiver	0.48%	0.44%	0.42%	0.39%

¹ *Grantham, Mayo, Van Otterloo & Co. LLC ("GMO") has contractually agreed to reimburse the Fund for the following expenses: audit expenses, fund accounting expenses, pricing service expenses, expenses of non-investment related tax services, transfer agency expenses, expenses of non-investment related legal services provided to the Fund by or at the direction of GMO, federal securities law filing expenses, printing expenses, state and federal registration fees and custody expenses. GMO also has contractually agreed to waive or reduce the Fund's management fees and shareholder service fees to the extent necessary to offset the management fees and shareholder service fees paid to GMO that are directly or indirectly borne by the Fund or a class of shares of the Fund as a result of the Fund's direct or indirect investments in other series of GMO Trust ("GMO Funds"). Management fees and shareholder service fees will not be waived below zero. This reimbursement and waiver will continue through at least June 30, 2016, and may not be terminated prior to this date without the action or consent of the Fund's Board of Trustees.*

Example

This example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. The example assumes that you invest \$10,000 in the Fund for the time periods indicated, regardless of whether or not you redeem your shares at the end of such periods. The example also assumes that your investment has a 5% return each year and that the Fund's operating expenses remain the same as those shown in the table. The one year amounts shown reflect the expense reimbursement and waiver noted in the expense table. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

	1 Year	3 Years	5 Years	10 Years
Class III	\$49	\$158	\$278	\$626
Class IV	\$45	\$143	\$251	\$566
Class V	\$43	\$137	\$240	\$541
Class VI	\$40	\$127	\$223	\$504

Portfolio turnover

The Fund pays transaction costs, such as commissions, when it buys and sells securities. A higher portfolio turnover rate may result in higher transaction costs and, when Fund shares are held in a taxable account, higher taxes. These costs, which are not reflected in Annual Fund operating expenses or in the Example, affect the Fund's performance. During its fiscal year ended February 28, 2015, the Fund's portfolio turnover rate (excluding short-term investments) was 60% of the average value of its portfolio.

Principal investment strategies

GMO seeks to achieve the Fund's investment objective by investing primarily in a portfolio of equities that GMO believes to be of high quality.

GMO selects the securities the Fund should buy or sell based on its evaluation of companies' published financial information and corporate behavior, securities' prices, equity and bond markets, and the overall economy.

In assessing a company's quality, GMO may consider several factors, including, in particular, profitability, profit stability, and leverage.

In selecting securities for the Fund, GMO uses a combination of investment methods to identify securities that GMO believes have positive return potential relative to other securities in the Fund's investment universe. Some of these methods evaluate individual securities or groups of securities based on the ratio of their price to historical financial information and forecasted financial information, such as book value, cash flow and earnings, and a comparison of these ratios to industry or market averages or to their own history. Other methods focus on patterns of information, such as price movement or volatility of a security or groups of securities relative to the Fund's investment universe or corporate behavior of an issuer. GMO also uses its multi-year return forecasts for asset classes and other groups of securities in its investment process and may adjust the Fund's portfolio based on factors such as position size, market capitalization, and exposure to particular industries, sectors, countries, regions, or currencies. At times, the Fund may have substantial exposure to a single asset class, sector, country, or region. The factors considered and investment methods used by GMO can change over time. GMO does not manage the Fund to, or control the Fund's risk relative to, any securities index or securities benchmark.

As an alternative to investing directly in equities, the Fund may invest in exchange-traded and over-the-counter (OTC) derivatives and exchange-traded funds (ETFs). The Fund also may invest in derivatives and ETFs: (i) in an attempt to reduce investment exposures (which may result in a reduction below zero); (ii) in an attempt to adjust elements of the Fund's investment exposure; and (iii) as a substitute for securities lending. Derivatives used may include futures, options, forward currency contracts, and swap contracts. In addition, the Fund may lend its portfolio securities.

The Fund is permitted to invest directly and indirectly (e.g., through underlying funds or derivatives) in equities of companies tied economically to any country in the world, including emerging countries. The term "equities" refers to direct and indirect investments in common and preferred stocks and other stock-related securities, such as convertible securities, depositary receipts, and exchange-traded equity real estate investment trusts (REITs) and income trusts.

The Fund also may invest in U.S. Treasury Fund and in money market funds unaffiliated with GMO.

Principal risks of investing in the Fund

The value of the Fund's shares changes with the value of the Fund's investments. Many factors can affect this value, and you may lose money by investing in the Fund. The Fund is a *non-diversified investment company* under the Investment Company Act of 1940, as amended, and therefore a decline in the market price of a particular security held by the Fund may affect the Fund's performance more than if the Fund were a diversified investment company. The principal risks of investing in the Fund are summarized below. For a more complete discussion of these risks, see "Description of Principal Risks."

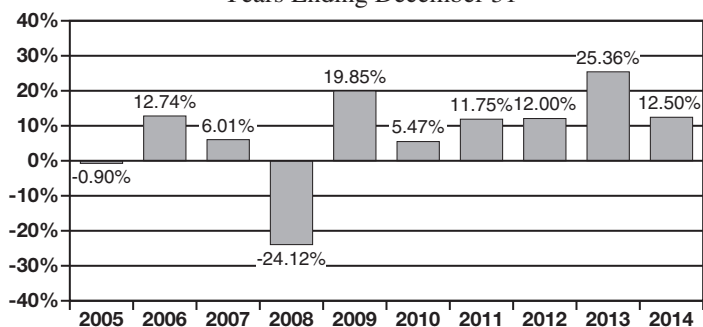
- **Market Risk – Equities** – The market prices of equities may decline due to factors affecting the issuing companies, their industries, or the economy and equity markets generally. If the Fund purchases equities for less than their value as determined by GMO, the Fund runs the risk that the market prices of these equities will not appreciate or will decline for a variety of reasons, one of which may be GMO's incorrect assessment of their intrinsic value. The Fund also may purchase equities that typically trade at higher multiples of current earnings than other securities, and the market prices of these equities often are more sensitive to changes in future earnings expectations than the market prices of equities trading at lower multiples. Declines in stock market prices generally are likely to reduce the net asset value of the Fund's shares.
- **Management and Operational Risk** – The Fund runs the risk that GMO's investment techniques will fail to produce desired results. GMO often uses quantitative analyses and models as part of its investment process. All models support portfolio decisions but are not necessarily predictive of future market events. These analyses and models also make simplifying assumptions that may limit their effectiveness. In addition, there are limitations (e.g., inaccuracies, staleness) on the data available for analysis or manipulation by the models. Any of those assumptions and/or limitations could adversely affect the Fund's performance. The Fund also runs the risk that GMO's assessment of an investment may be wrong or that deficiencies in GMO's or another service provider's internal systems or controls will cause losses for the Fund or impair Fund operations.
- **Focused Investment Risk** – Investments focused in a limited number of countries, regions, sectors, industries, or issuers that are subject to the same or similar risk factors and investments whose prices are strongly correlated are subject to greater overall risk than investments that are more diversified. The Fund invests its assets in the securities of a limited number of issuers, and a decline in the market price of a particular security held by the Fund may affect the Fund's performance more than if the Fund invested in the securities of a larger number of issuers.
- **Non-U.S. Investment Risk** – The market prices of many non-U.S. securities fluctuate more than those of U.S. securities. Many non-U.S. securities markets are less stable, smaller, less liquid, and less regulated than U.S. securities markets, and the cost of trading in those markets often is higher than in U.S. securities markets. Non-U.S. portfolio transactions generally involve higher commission rates, transfer taxes, and custodial costs than similar transactions in the United States. In addition, the Fund may be subject to non-U.S. taxes, including potentially on a retroactive basis, on (i) capital gains it realizes or dividends, interest, or other amounts it realizes or accrues in respect of non-U.S. investments, (ii) transactions in those investments, and (iii) repatriation of proceeds generated from the sale or other disposition of those investments. Also, the Fund needs a license to invest directly in many non-U.S. securities markets, and the Fund is subject to the risk that it could not invest if its license were terminated or suspended. In some non-U.S. securities markets, prevailing custody and trade settlement practices (e.g., the requirement to pay for securities prior to receipt) expose the Fund to credit and other risks. Further, adverse changes in investment regulations, capital requirements or exchange controls could adversely affect the value of the Fund's investments. These and other risks (e.g., nationalization, expropriation or other confiscation of assets of non-U.S. issuers) tend to be greater for investments in companies tied economically to emerging countries, the economies of which may be predominantly based on only a few industries or dependent on revenues from particular commodities and which often are more volatile than the economies of developed countries.
- **Currency Risk** – Fluctuations in exchange rates can adversely affect the market value of the Fund's foreign currency holdings and investments denominated in foreign currencies.
- **Derivatives and Short Sales Risk** – The use of derivatives involves the risk that their value may not change as expected relative to changes in the value of the underlying assets, rates, or indices. Derivatives also present other risks, including market risk, illiquidity risk, currency risk, and counterparty risk. In addition, the risks of loss associated with derivatives that provide short investment exposure and short sales of securities are theoretically unlimited.

- **Counterparty Risk** – The Fund runs the risk that the counterparty to a derivatives contract, a clearing member used by the Fund to hold a cleared derivatives contract, or a borrower of the Fund’s securities will be unable or unwilling to make timely settlement payments, return the Fund’s margin or otherwise honor its obligations.
- **Leveraging Risk** – The use of reverse repurchase agreements and other derivatives and securities lending creates leverage. Leverage increases the Fund’s losses when the value of its investments (including derivatives) declines.
- **Smaller Company Risk** – Smaller companies may have limited product lines, markets, or financial resources, may lack the competitive strength of larger companies, may have inexperienced managers or may depend on a few key employees. The securities of companies with smaller market capitalizations often are less widely held and trade less frequently and in lesser quantities, and their market prices often fluctuate more, than the securities of companies with larger market capitalizations.
- **Illiquidity Risk** – Low trading volume, lack of a market maker, large position size, or legal restrictions may limit or prevent the Fund from selling particular securities or closing derivative positions at desirable prices.
- **Market Disruption and Geopolitical Risk** – Geopolitical and other events may disrupt securities markets and adversely affect global economies and markets. Those events, as well as other changes in non-U.S. and U.S. economic and political conditions, could adversely affect the value of the Fund’s investments.
- **Large Shareholder Risk** – To the extent that a large number of shares of the Fund is held by a single shareholder (e.g., an institutional investor or another GMO Fund) or a group of shareholders with a common investment strategy (e.g., GMO asset allocation accounts), the Fund is subject to the risk that a redemption by those shareholders of all or a large portion of their Fund shares will cause the Fund to sell securities at disadvantageous prices or otherwise will disrupt the Fund’s operations.

Performance

The bar chart and table below provide some indication of the risks of investing in the Fund by showing changes in the Fund’s annual total returns from year to year for the periods indicated and by comparing the Fund’s average annual total returns for different calendar periods with those of a broad-based index. After-tax returns are calculated using the historical highest individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Actual after-tax returns depend on your tax situation and may differ from those shown. After-tax returns shown are not relevant if you are tax-exempt or if you hold your Fund shares through tax-deferred arrangements (such as a 401(k) plan or individual retirement account). After-tax returns are shown for Class III shares only; after-tax returns for other classes will vary. Updated performance information for the Fund is available at www.gmo.com. Past performance (before and after taxes) is not an indication of future performance.

Annual Total Returns/Class III Shares
Years Ending December 31



Highest Quarter: 11.53% (3Q2010)
 Lowest Quarter: – 13.13% (4Q2008)
 Year-to-Date (as of 3/31/15): 0.49%

Average Annual Total Returns
Periods Ending December 31, 2014

	1 Year	5 Years	10 Years	Incept.
Class III				2/6/04
Return Before Taxes	12.50%	13.24%	7.21%	6.89%
Return After Taxes on Distributions	6.63%	10.94%	5.95%	5.72%
Return After Taxes on Distributions and Sale of Fund Shares	11.17%	10.49%	5.81%	5.56%
S&P 500 Index (reflects no deduction for fees, expenses, or taxes)	13.69%	15.45%	7.67%	7.75%
Class IV				2/6/04
Return Before Taxes	12.59%	13.30%	7.25%	6.93%
S&P 500 Index (reflects no deduction for fees, expenses, or taxes)	13.69%	15.45%	7.67%	7.75%
Class V				12/8/06
Return Before Taxes	12.58%	13.32%	N/A	7.74%
S&P 500 Index (reflects no deduction for fees, expenses, or taxes)	13.69%	15.45%	N/A	7.08%
Class VI				12/8/06
Return Before Taxes	12.65%	13.35%	N/A	7.78%
S&P 500 Index (reflects no deduction for fees, expenses, or taxes)	13.69%	15.45%	N/A	7.08%

Management of the Fund

Investment Adviser: Grantham, Mayo, Van Otterloo & Co. LLC

Investment Team and Senior Members of GMO primarily responsible for portfolio management of the Fund:

Investment Team	Senior Member (Length of Service with Fund)	Title
Global Equity	Thomas Hancock (since 2009)	Co-Head, Global Equity Team, GMO.
Global Equity	David Cowan (since 2012)	Co-Head, Global Equity Team, GMO.

Additional information

For important information about purchase and sale of Fund shares, taxes, and financial intermediary compensation, please see “Additional Summary Information About the Funds” on page 144 of this Prospectus.

Investment objective

Total return.

Fees and expenses

The tables below describe the fees and expenses that you may bear for each class of shares if you buy and hold shares of the Fund.

Shareholder fees

(fees paid directly from your investment)

	Class III	Class IV	Class V	Class VI
Purchase premium (as a percentage of amount invested)	0.30%	0.30%	0.30%	0.30%
Redemption fee (as a percentage of amount redeemed)	0.30%	0.30%	0.30%	0.30%

Annual Fund operating expenses

(expenses that you bear each year as a percentage of the value of your investment)

	Class III	Class IV	Class V	Class VI
Management fee	0.50% ¹	0.50% ¹	0.50% ¹	0.50% ¹
Shareholder service fee	0.15% ¹	0.10% ¹	0.085% ¹	0.055% ¹
Other expenses	0.19%	0.19%	0.19%	0.19%
Total annual operating expenses	0.84%	0.79%	0.78%	0.75%
Expense reimbursement/waiver	(0.08%) ¹	(0.09%) ¹	(0.09%) ¹	(0.09%) ¹
Total annual operating expenses after expense reimbursement/waiver	0.76%	0.70%	0.69%	0.66%

¹ Grantham, Mayo, Van Otterloo & Co. LLC ("GMO") has contractually agreed to reimburse the Fund for the portion of its "Specified Operating Expenses" (as defined below) that exceeds 0.10% of the Fund's average daily net assets. "Specified Operating Expenses" means only the following expenses: audit expenses, fund accounting expenses, pricing service expenses, expenses of non-investment related tax services, transfer agency expenses, expenses of non-investment related legal services provided to the Fund by or at the direction of GMO, federal securities law filing expenses, printing expenses, state and federal registration fees and custody expenses. GMO also has contractually agreed to waive or reduce the Fund's management fees and shareholder service fees to the extent necessary to offset the management fees and shareholder service fees paid to GMO that are directly or indirectly borne by the Fund or a class of shares of the Fund as a result of the Fund's direct or indirect investments in other series of GMO Trust ("GMO Funds"). Management fees and shareholder service fees will not be waived below zero. This reimbursement and waiver will continue through at least June 30, 2016, and may not be terminated prior to this date without the action or consent of the Fund's Board of Trustees.

Example

This example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. The example assumes that you invest \$10,000 in the Fund for the time periods indicated. The example also assumes that your investment has a 5% return each year and that the Fund's operating expenses remain the same as those shown in the table. The one year amounts shown reflect the expense reimbursement and waiver noted in the expense table. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

	If you sell your shares				If you do not sell your shares			
	1 Year	3 Years	5 Years	10 Years	1 Year	3 Years	5 Years	10 Years
Class III	\$139	\$323	\$523	\$1,102	\$107	\$289	\$487	\$1,057
Class IV	\$132	\$306	\$495	\$1,042	\$101	\$273	\$459	\$ 997
Class V	\$131	\$303	\$490	\$1,030	\$100	\$269	\$453	\$ 985
Class VI	\$128	\$294	\$474	\$ 995	\$ 97	\$260	\$437	\$ 949

Portfolio turnover

The Fund pays transaction costs, such as commissions, when it buys and sells securities. A higher portfolio turnover rate may result in higher transaction costs and, when Fund shares are held in a taxable account, higher taxes. These costs, which are not reflected in Annual Fund operating expenses or in the Example, affect the Fund's performance. During its fiscal year ended February 28, 2015, the Fund's portfolio turnover rate (excluding short-term investments) was 126% of the average value of its portfolio.

Principal investment strategies

GMO seeks to achieve the Fund's investment objective by investing primarily in a portfolio of equities that GMO believes will provide a higher return than the MSCI ACWI Commodity Producers Index.

GMO selects the securities the Fund should buy or sell based on its evaluation of companies' published financial information and corporate behavior, securities' prices, equity and bond markets, and the overall economy.

In selecting securities for the Fund, GMO uses a combination of investment methods to identify securities that GMO believes have positive return potential relative to other securities in the Fund's investment universe. Some of these methods evaluate individual securities or groups of securities based on the ratio of their price to historical financial information and forecasted financial information,

such as book value, cash flow and earnings, and a comparison of these ratios to industry or market averages or to their own history. Other methods focus on patterns of information, such as price movement or volatility of a security or groups of securities relative to the Fund's investment universe or corporate behavior of an issuer. GMO also uses its multi-year return forecasts for asset classes and other groups of securities in its investment process and may adjust the Fund's portfolio based on factors such as position size, market capitalization, and exposure to particular industries, sectors, countries, or regions. At times, the Fund may have substantial exposure to a single asset class, sector, country, or region. The factors considered and investment methods used by GMO can change over time. GMO does not manage the Fund to, or control the Fund's risk relative to, any securities index or securities benchmark. The Fund may invest in companies of any market capitalization.

As an alternative to investing directly in equities, the Fund may invest in exchange-traded and over-the-counter (OTC) derivatives and exchange-traded funds (ETFs). The Fund also may invest in derivatives and ETFs: (i) in an attempt to reduce investment exposures (which may result in a reduction below zero); (ii) in an attempt to adjust elements of the Fund's investment exposure; and (iii) as a substitute for securities lending. Derivatives used may include futures, options, and swap contracts. In addition, the Fund may lend its portfolio securities.

The Fund has a fundamental policy to concentrate its investments in the natural resources sector, and, under normal market conditions, the Fund invests at least 80% of its assets in the securities of companies in that sector. The Fund considers the "natural resources sector" to include companies that own, produce, refine, process, transport, and market natural resources and companies that provide related equipment, infrastructure, and services. The sector includes, for example, the following industries: integrated oil, oil and gas exploration and production, gold and other precious metals, steel and iron ore production, energy services and technology, base metal production, forest products, farming products, paper products, chemicals, building materials, coal, water, alternative energy sources, and environmental services. The Fund is permitted to invest directly and indirectly (e.g., through underlying funds or derivatives) in securities of companies tied economically to any country in the world, including emerging countries. In addition to its investments in companies in the natural resources sector, the Fund also may invest up to 20% of its net assets in securities of any type of company.

The Fund also may invest in U.S. Treasury Fund and in money market funds unaffiliated with GMO.

Principal risks of investing in the Fund

The value of the Fund's shares changes with the value of the Fund's investments. Many factors can affect this value, and you may lose money by investing in the Fund. The Fund is a *non-diversified investment company* under the Investment Company Act of 1940, as amended, and therefore a decline in the market price of a particular security held by the Fund may affect the Fund's performance more than if the Fund were a diversified investment company. The principal risks of investing in the Fund are summarized below. For a more complete discussion of these risks, see "Description of Principal Risks."

- **Focused Investment Risk** – By concentrating its investments in the natural resources sector, the Fund is particularly exposed to adverse developments, including adverse price movements, affecting issuers in that sector and is subject to greater risks than a fund that invests in a wider range of industries. In addition, the market prices of securities of companies in the natural resources sector may be more volatile than securities of companies in other industries. Some of the commodities used as raw materials or produced by these companies are subject to broad price fluctuations as a result of industry-wide supply and demand factors. Companies in the natural resources sector often have limited pricing power over supplies or for the products they sell and that can affect their profitability. Companies in the natural resources sector also may be subject to special risks associated with natural or man-made disasters. In addition, the natural resources sector can be especially affected by events relating to international political and economic developments, government regulations, energy conservation, and the success of exploration projects. Because the Fund invests primarily in the natural resources sector, it runs the risk of performing poorly during an economic downturn or a decline in demand for natural resources.
- **Commodities Risk** – Commodities prices can be extremely volatile, and exposure to commodities can cause the net asset value of the Fund's shares to decline or fluctuate more than if the Fund had a broader range of investments.
- **Market Risk – Equities** – The market prices of equities may decline due to factors affecting the issuing companies, their industries, or the economy and equity markets generally. If the Fund purchases equities for less than their value as determined by GMO, the Fund runs the risk that the market prices of these equities will not appreciate or will decline for a variety of reasons, one of which may be GMO's incorrect assessment of their intrinsic value. The Fund also may purchase equities that typically trade at higher multiples of current earnings than other securities, and the market prices of these equities often are more sensitive to changes in future earnings expectations than the market prices of equities trading at lower multiples. Declines in stock market prices generally are likely to reduce the net asset value of the Fund's shares.
- **Management and Operational Risk** – The Fund runs the risk that GMO's investment techniques will fail to produce desired results. GMO often uses quantitative analyses and models as part of its investment process. All models support portfolio decisions but are not necessarily predictive of future market events. These analyses and models also make simplifying assumptions that may limit their effectiveness. In addition, there are limitations (e.g., inaccuracies, staleness) on the data available for analysis or manipulation by the

models. Any of those assumptions and/or limitations could adversely affect the Fund's performance. The Fund also runs the risk that GMO's assessment of an investment may be wrong or that deficiencies in GMO's or another service provider's internal systems or controls will cause losses for the Fund or impair Fund operations.

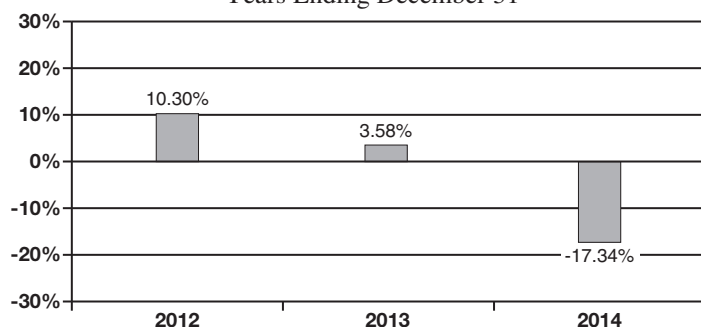
- *Non-U.S. Investment Risk* – The market prices of many non-U.S. securities fluctuate more than those of U.S. securities. Many non-U.S. securities markets are less stable, smaller, less liquid, and less regulated than U.S. securities markets, and the cost of trading in those markets often is higher than in U.S. securities markets. Non-U.S. portfolio transactions generally involve higher commission rates, transfer taxes, and custodial costs than similar transactions in the United States. In addition, the Fund may be subject to non-U.S. taxes, including potentially on a retroactive basis, on (i) capital gains it realizes or dividends, interest, or other amounts it realizes or accrues in respect of non-U.S. investments, (ii) transactions in those investments, and (iii) repatriation of proceeds generated from the sale or other disposition of those investments. Also, the Fund needs a license to invest directly in many non-U.S. securities markets, and the Fund is subject to the risk that it could not invest if its license were terminated or suspended. In some non-U.S. securities markets, prevailing custody and trade settlement practices (e.g., the requirement to pay for securities prior to receipt) expose the Fund to credit and other risks. Further, adverse changes in investment regulations, capital requirements or exchange controls could adversely affect the value of the Fund's investments. These and other risks (e.g., nationalization, expropriation or other confiscation of assets of non-U.S. issuers) tend to be greater for investments in companies tied economically to emerging countries, the economies of which may be predominantly based on only a few industries or dependent on revenues from particular commodities and which often are more volatile than the economies of developed countries.
- *Currency Risk* – Fluctuations in exchange rates can adversely affect the market value of the Fund's foreign currency holdings and investments denominated in foreign currencies.
- *Derivatives and Short Sales Risk* – The use of derivatives involves the risk that their value may not change as expected relative to changes in the value of the underlying assets, rates, or indices. Derivatives also present other risks, including market risk, illiquidity risk, currency risk, and counterparty risk. In addition, the risks of loss associated with derivatives that provide short investment exposure and short sales of securities are theoretically unlimited.
- *Counterparty Risk* – The Fund runs the risk that the counterparty to a derivatives contract, a clearing member used by the Fund to hold a cleared derivatives contract, or a borrower of the Fund's securities will be unable or unwilling to make timely settlement payments, return the Fund's margin or otherwise honor its obligations.
- *Leveraging Risk* – The use of reverse repurchase agreements and other derivatives and securities lending creates leverage. Leverage increases the Fund's losses when the value of its investments (including derivatives) declines.
- *Illiquidity Risk* – Low trading volume, lack of a market maker, large position size, or legal restrictions may limit or prevent the Fund from selling particular securities or closing derivative positions at desirable prices.
- *Smaller Company Risk* – Smaller companies may have limited product lines, markets, or financial resources, may lack the competitive strength of larger companies, may have inexperienced managers or may depend on a few key employees. The securities of companies with smaller market capitalizations often are less widely held and trade less frequently and in lesser quantities, and their market prices often fluctuate more, than the securities of companies with larger market capitalizations.
- *Market Disruption and Geopolitical Risk* – Geopolitical and other events may disrupt securities markets and adversely affect global economies and markets. Those events, as well as other changes in non-U.S. and U.S. economic and political conditions, could adversely affect the value of the Fund's investments.
- *Large Shareholder Risk* – To the extent that a large number of shares of the Fund is held by a single shareholder (e.g., an institutional investor or another GMO Fund) or a group of shareholders with a common investment strategy (e.g., GMO asset allocation accounts), the Fund is subject to the risk that a redemption by those shareholders of all or a large portion of their Fund shares will cause the Fund to sell securities at disadvantageous prices or otherwise will disrupt the Fund's operations.

Performance

The bar chart and table below provide some indication of the risks of investing in the Fund by showing changes in the Fund's annual total returns from year to year for the periods indicated and by comparing the Fund's average annual total returns for different calendar periods with those of the MSCI ACWI and the MSCI ACWI Commodity Producers Index. Purchase premiums and redemption fees are not reflected in the bar chart, but are reflected in the table; as a result, the returns in the table are lower than the returns in the bar chart. Returns in the table reflect current purchase premiums and redemption fees. After-tax returns are calculated using the historical highest individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Actual after-tax returns depend on your tax situation and may differ from those shown. After-tax returns shown are not relevant if you are tax-exempt or if you hold your Fund shares through tax-deferred arrangements (such as a 401(k) plan or individual retirement account). After-tax returns are shown for Class III shares only; after-tax returns for other classes will vary. Updated performance information for the Fund is available at www.gmo.com. Past performance (before and after taxes) is not an indication of future performance.

Annual Total Returns/Class III Shares

Years Ending December 31



Highest Quarter: 12.84% (3Q2013)
 Lowest Quarter: -18.94% (4Q2014)
 Year-to-Date (as of 3/31/15): -0.96%

Average Annual Total Returns

Periods Ending December 31, 2014

	1 Year	5 Years	10 Years	Incept.
Class III				12/28/11
Return Before Taxes	-17.84%	N/A	N/A	-1.64%
Return After Taxes on Distributions	-20.95%	N/A	N/A	-3.28%
Return After Taxes on Distributions and Sale of Fund Shares	-7.99%	N/A	N/A	-1.28%
MSCI ACWI Commodity Producers Index (Fund benchmark) (returns reflect no deduction for fees or expenses, but are net of withholding tax on dividend reinvestments)	-14.69%	N/A	N/A	-3.06%
MSCI ACWI (returns reflect no deduction for fees or expenses, but are net of withholding tax on dividend reinvestments)	4.16%	N/A	N/A	14.48%
Class IV				3/2/13
Return Before Taxes	-17.80%	N/A	N/A	-7.43%
MSCI ACWI Commodity Producers Index (Fund benchmark) (returns reflect no deduction for fees or expenses, but are net of withholding tax on dividend reinvestments)	-14.69%	N/A	N/A	-6.12%
MSCI ACWI (returns reflect no deduction for fees or expenses, but are net of withholding tax on dividend reinvestments)	4.16%	N/A	N/A	10.95%

Management of the Fund

Investment Adviser: Grantham, Mayo, Van Otterloo & Co. LLC

Investment Teams and Senior Members of GMO primarily responsible for portfolio management of the Fund:

Investment Team	Senior Member (Length of Service with Fund)	Title
Asset Allocation	Ben Inker (since the Fund's inception)	Co-Head, Asset Allocation Team and Co-Head, Developed Fixed Income Team, GMO.
Asset Allocation	Sam Wilderman (since 2012)	Co-Head, Asset Allocation Team and Co-Head, Developed Fixed Income Team, GMO.
Global Equity	Thomas Hancock (since the Fund's inception)	Co-Head, Global Equity Team, GMO.
Global Equity	David Cowan (since 2012)	Co-Head, Global Equity Team, GMO.

Additional information

For important information about purchase and sale of Fund shares, taxes, and financial intermediary compensation, please see "Additional Summary Information About the Funds" on page 144 of this Prospectus.

GMO BENCHMARK-FREE BOND FUND

Investment objective

Total return in excess of the Citigroup 3-Month Treasury Bill Index.

Fees and expenses

The table below describes the fees and expenses that you may bear for each class of shares if you buy and hold shares of the Fund.

Annual Fund operating expenses

(expenses that you bear each year as a percentage of the value of your investment)

	Class III	Class IV	Class V	Class VI
Management fee	0.50% ¹	0.50% ¹	0.50% ¹	0.50% ¹
Shareholder service fee	0.15% ¹	0.10% ¹	0.085% ¹	0.055% ¹
Other expenses	4.95% ^{2,3}	4.95% ^{2,3}	4.95% ^{2,3}	4.95% ^{2,3}
Acquired fund fees and expenses (underlying fund expenses)	0.17% ⁴	0.17% ⁴	0.17% ⁴	0.17% ⁴
Total annual operating expenses	5.77% ²	5.72% ²	5.71% ²	5.68% ²
Expense reimbursement/waiver	(4.80)% ^{1,2}	(4.80)% ^{1,2}	(4.80)% ^{1,2}	(4.80)% ^{1,2}
Total annual operating expenses after expense reimbursement/waiver (Fund and underlying fund expenses)	0.97% ²	0.92% ²	0.91% ²	0.88% ²

¹ Grantham, Mayo, Van Otterloo & Co. LLC ("GMO") has contractually agreed to reimburse the Fund for the portion of its "Specified Operating Expenses" (as defined below) that exceeds 0.05% of the Fund's average daily net assets. "Specified Operating Expenses" means only the following expenses: audit expenses, fund accounting expenses, pricing service expenses, expenses of non-investment related tax services, transfer agency expenses, expenses of non-investment related legal services provided to the Fund by or at the direction of GMO, federal securities law filing expenses, printing expenses, state and federal registration fees and custody expenses. GMO also has contractually agreed to waive or reduce the Fund's management fees and shareholder service fees to the extent necessary to offset the management fees and shareholder service fees paid to GMO that are directly or indirectly borne by the Fund or a class of shares of the Fund as a result of the Fund's direct or indirect investments in other series of GMO Trust ("GMO Funds"). Management fees and shareholder service fees will not be waived below zero. This reimbursement and waiver will continue through at least June 30, 2016, and may not be terminated prior to this date without the action or consent of the Fund's Board of Trustees.

² The amounts represent an estimate of the Fund's operating expenses for the current fiscal year.

³ The amount includes interest expense incurred by the Fund as a result of entering into reverse repurchase agreements and/or margin on cleared swap contracts, if any. "Other expenses" (before addition of interest expense) and interest expense were approximately 4.94% and 0.01%, respectively.

⁴ The amounts represent an estimate based on the acquired fund fees and expenses incurred during the Fund's initial fiscal period. These estimated indirect expenses include interest expense that may be incurred by certain underlying funds and also include, to the extent applicable, purchase premiums and redemption fees ("transaction fees") charged by certain underlying funds. Net fees and expenses of underlying funds (before addition of interest expense and transaction fees), indirect interest expense, and indirect transaction fees are estimated to be approximately 0.08%, less than 0.01%, and 0.09%, respectively.

Example

This example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. The example assumes that you invest \$10,000 in the Fund for the time periods indicated, regardless of whether or not you redeem your shares at the end of such periods. The example also assumes that your investment has a 5% return each year and that the Fund's operating expenses remain the same as those shown in the table. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

	1 Year	3 Years
Class III	\$575	\$1,711
Class IV	\$570	\$1,698
Class V	\$569	\$1,695
Class VI	\$566	\$1,687

Portfolio turnover

The Fund pays transaction costs, such as commissions, when it buys and sells securities. A higher portfolio turnover rate may result in higher transaction costs and, when Fund shares are held in a taxable account, higher taxes. These costs, which are not reflected in Annual Fund operating expenses or in the Example, affect the Fund's performance. During the Fund's initial fiscal period (from November 18, 2014 to February 28, 2015), the Fund's portfolio turnover rate (excluding short-term investments) was 8% of the average value of its portfolio.

Principal investment strategies

GMO seeks to achieve the Fund's investment objective by investing in a portfolio of fixed income instruments of varying maturities, which may be represented by bonds, forwards or derivatives such as options, futures contracts, or swap agreements. GMO uses a variety of fundamental and quantitative processes to manage the Fund. GMO evaluates the relative attractiveness of particular markets and instruments using various fixed income risk premium measures, which typically include exposure to term structure, foreign exchange, volatility, credit, liquidity and other risks. GMO seeks annual returns of 3-5% (net of fees) above the Citigroup 3-Month Treasury Bill Index, with annualized volatility of 4-8%, over a complete market cycle. GMO does not manage the Fund to, or control the Fund's risk relative to, any securities index or securities benchmark.

Under normal circumstances, the Fund invests directly and indirectly (e.g., through other GMO Funds or derivatives) at least 80% of its assets in bonds (see “Name Policies”). The term “bond” includes (i) obligations of an issuer to make payments on future dates of principal, interest (whether fixed or variable) or both and (ii) synthetic debt instruments created by GMO by using derivatives (e.g., a futures contract, swap contract, currency forward, or option). The Fund is permitted to invest in bonds of any kind (e.g., bonds of any maturity, duration, or credit quality).

The Fund may invest in any sector of the bond market and is not required to maintain a minimum or maximum allocation of investments in any one sector. The sectors and types of bonds in which the Fund may invest include, but are not limited to:

- investment grade bonds denominated in various currencies, including bonds issued by the U.S. and non-U.S. governments and their respective agencies or instrumentalities (whether or not guaranteed or insured by those governments), corporations and municipalities (taxable and tax-exempt);
- below investment grade bonds (commonly referred to as “junk bonds”);
- inflation-indexed bonds issued by the U.S. government (including Inflation-Protected Securities issued by the U.S. Treasury (TIPS)) and non-U.S. governments and their respective agencies or instrumentalities (whether or not guaranteed or insured by those governments) and inflation-indexed bonds issued by corporations;
- bonds issued in emerging countries (including sovereign debt and below investment grade bonds);
- asset-backed securities, including mortgage related and mortgage-backed securities;
- pooled investment vehicles, including both vehicles managed by GMO and vehicles unaffiliated with GMO; and
- commodities.

From time to time, the Fund may have some direct or indirect exposure to equities.

The Fund also may invest in exchange-traded and over-the-counter (OTC) derivatives, including futures contracts, currency options, currency forwards, reverse repurchase agreements, swap contracts (such as credit default swaps, swaps on securities and securities indices, total return swaps, interest rate swaps, currency swaps, variance swaps, commodity swaps, inflation swaps, municipal swaps, correlation swaps, and other types of swaps), interest rate options and other types of derivatives. The Fund is not limited in its use of derivatives or in the total notional value of its derivative positions. As a result of its derivative positions, the Fund typically has gross investment exposures in excess of its net assets (i.e., the Fund typically is leveraged) and therefore is subject to heightened risk of loss. The Fund’s performance can depend substantially, if not primarily, on the performance of assets or indices underlying its derivatives even though it does not own those assets or indices.

The Fund may gain exposure to the investments described above by investing in shares of other GMO Funds (collectively, the “underlying Funds”), including Debt Opportunities Fund (to provide exposure to global credit (particularly, asset-backed) markets), Emerging Country Debt Fund (to provide exposure to emerging country debt securities), GMO High Quality Short-Duration Bond Fund (“High Quality Fund”) (to seek a return in excess of that of the J.P. Morgan U.S. 3 Month Cash Index by investing in a wide variety of high quality U.S. and non-U.S. debt investments), and GMO World Opportunity Overlay Fund (“Overlay Fund”) (to gain exposure to global interest rate, currency, and credit markets). Each of High Quality Fund and Overlay Fund is a GMO Fund not offered by this Prospectus. The Fund also may invest in U.S. Treasury Fund and in money market funds unaffiliated with GMO.

GMO does not seek to maintain a specified interest rate duration for the Fund, and the Fund’s interest rate duration will change depending on the Fund’s investments and GMO’s assessment of different sectors of the bond market. The Fund’s interest rate duration may be positive or negative.

Principal risks of investing in the Fund

The value of the Fund’s shares changes with the value of the Fund’s investments. Many factors can affect this value, and you may lose money by investing in the Fund. An investment in the Fund is subject to different risks, and greater overall risk, than an investment in the underlying components of the Citigroup 3-Month Treasury Bill Index. The Fund is a *non-diversified investment company* under the Investment Company Act of 1940, as amended, and therefore a decline in the market price of a particular security held by the Fund may affect the Fund’s performance more than if the Fund were a diversified investment company. The principal risks of investing in the Fund are summarized below. For a more complete discussion of these risks, see “Description of Principal Risks.”

- **Market Risk – Fixed Income Investments** – The market price of a fixed income investment can decline due to market-related factors, including rising interest rates and widening credit spreads, or decreased liquidity stemming from the market’s uncertainty about the value of a fixed income investment (or class of fixed income investments).
- **Management and Operational Risk** – The Fund runs the risk that GMO’s investment techniques will fail to produce desired results. GMO often uses quantitative analyses and models as part of its investment process. All models support portfolio decisions but are not

necessarily predictive of future market events. These analyses and models also make simplifying assumptions that may limit their effectiveness. In addition, there are limitations (e.g., inaccuracies, staleness) on the data available for analysis or manipulation by the models. Any of those assumptions and/or limitations could adversely affect the Fund's performance. The Fund also runs the risk that GMO's assessment of an investment may be wrong or that deficiencies in GMO's or another service provider's internal systems or controls will cause losses for the Fund or impair Fund operations.

- *Credit Risk* – The Fund runs the risk that the issuer or guarantor of a fixed income investment or the obligor of an obligation underlying an asset-backed security will be unable or unwilling to satisfy its obligation to pay principal and interest or otherwise to honor its obligations in a timely manner. The market price of a fixed income investment will normally decline as a result of the issuer's, guarantor's, or obligor's failure to meet its payment obligations. Below investment grade securities have speculative characteristics, and changes in economic conditions or other circumstances are more likely to impair the ability of issuers of those securities to make principal and interest payments than is the case with issuers of investment grade securities.
- *Illiquidity Risk* – Low trading volume, lack of a market maker, large position size, or legal restrictions may limit or prevent the Fund from selling particular securities or closing derivative positions at desirable prices.
- *Counterparty Risk* – The Fund runs the risk that the counterparty to a derivatives contract, a clearing member used by the Fund to hold a cleared derivatives contract, or a borrower of the Fund's securities will be unable or unwilling to make timely settlement payments, return the Fund's margin or otherwise honor its obligations.
- *Derivatives and Short Sales Risk* – The use of derivatives involves the risk that their value may not change as expected relative to changes in the value of the underlying assets, rates, or indices. Derivatives also present other risks, including market risk, illiquidity risk, currency risk, credit risk, and counterparty risk. In addition, the risks of loss associated with derivatives that provide short investment exposure and short sales of securities are theoretically unlimited.
- *Leveraging Risk* – The use of reverse repurchase agreements and other derivatives and securities lending creates leverage. Leverage increases the Fund's losses when the value of its investments (including derivatives) declines.
- *Market Risk – Asset-Backed Securities* – The market price of fixed income investments with complex structures, such as asset-backed securities, can decline due to a variety of factors, including market uncertainty about their credit quality and the reliability of their payment streams. Payment streams associated with asset-backed securities held by the Fund depend on many factors (e.g., the cash flow generated by the assets backing the securities, the deal structure, the credit worthiness of any credit-support provider, and the reliability of various other service providers with access to the payment stream), and a problem in any one of these factors can lead to a reduction in the payment stream GMO expected the Fund to receive at the time the Fund purchased the asset-backed security.
- *Non-U.S. Investment Risk* – The market prices of many non-U.S. securities fluctuate more than those of U.S. securities. Many non-U.S. securities markets are less stable, smaller, less liquid, and less regulated than U.S. securities markets, and the cost of trading in those markets often is higher than in U.S. securities markets. Non-U.S. portfolio transactions generally involve higher commission rates, transfer taxes, and custodial costs than similar transactions in the United States. In addition, the Fund may be subject to non-U.S. taxes, including potentially on a retroactive basis, on (i) capital gains it realizes or dividends, interest, or other amounts it realizes or accrues in respect of non-U.S. investments, (ii) transactions in those investments, and (iii) repatriation of proceeds generated from the sale or other disposition of those investments. Also, the Fund needs a license to invest directly in many non-U.S. securities markets, and the Fund is subject to the risk that it could not invest if its license were terminated or suspended. In some non-U.S. securities markets, prevailing custody and trade settlement practices (e.g., the requirement to pay for securities prior to receipt) expose the Fund to credit and other risks. Further, adverse changes in investment regulations, capital requirements or exchange controls could adversely affect the value of the Fund's investments. These and other risks (e.g., nationalization, expropriation or other confiscation of assets of non-U.S. issuers) tend to be greater for investments in companies tied economically to emerging countries, the economies of which may be predominantly based on only a few industries or dependent on revenues from particular commodities and which often are more volatile than the economies of developed countries.
- *Currency Risk* – Fluctuations in exchange rates can adversely affect the market value of the Fund's foreign currency holdings and investments denominated in foreign currencies.
- *Commodities Risk* – Commodities prices can be extremely volatile, and exposure to commodities can cause the net asset value of the Fund's shares to decline or fluctuate in a rapid and unpredictable manner.
- *Market Disruption and Geopolitical Risk* – Geopolitical and other events may disrupt securities markets and adversely affect global economies and markets. Those events, as well as other changes in non-U.S. and U.S. economic and political conditions, could adversely affect the value of the Fund's investments.
- *Focused Investment Risk* – Investments focused in countries, regions, sectors, industries, or issuers that are subject to the same or similar risk factors and investments whose prices are strongly correlated are subject to greater overall risk than investments that are more diversified.

- *Fund of Funds Risk* – The Fund is indirectly exposed to all of the risks of an investment in the underlying Funds in which it invests, including the risk that those underlying Funds will not perform as expected.
- *Market Risk – Equities* – The market prices of equities may decline due to factors affecting the issuing companies, their industries, or the economy and equity markets generally. If the Fund purchases equities for less than their value as determined by GMO, the Fund runs the risk that the market prices of these equities will not appreciate or will decline for a variety of reasons, one of which may be GMO's incorrect assessment of their intrinsic value. The Fund also may purchase equities that typically trade at higher multiples of current earnings than other securities, and the market prices of these equities often are more sensitive to changes in future earnings expectations than the market prices of equities trading at lower multiples. Declines in stock market prices generally are likely to reduce the net asset value of the Fund's shares.
- *Smaller Company Risk* – Smaller companies may have limited product lines, markets, or financial resources, may lack the competitive strength of larger companies, may have inexperienced managers or may depend on a few key employees. The securities of companies with smaller market capitalizations often are less widely held and trade less frequently and in lesser quantities, and their market prices often fluctuate more, than the securities of companies with larger market capitalizations.
- *Merger Arbitrage Risk* – If the Fund purchases securities in anticipation of a proposed merger, exchange offer, tender offer, or other similar transaction, and that transaction later appears unlikely to be consummated or, in fact, is not consummated or is delayed, the market prices of the securities purchased by the Fund may decline sharply, resulting in losses to the Fund. The risk/reward payout of merger arbitrage strategies typically is asymmetric – the losses in failed transactions often far exceeding the gains in successful transactions. Merger arbitrage strategies are subject to the risk of overall market movements, and the Fund may experience losses even if a transaction is consummated.
- *Large Shareholder Risk* – To the extent that a large number of shares of the Fund is held by a single shareholder (e.g., an institutional investor or another GMO Fund) or a group of shareholders with a common investment strategy (e.g., GMO asset allocation accounts), the Fund is subject to the risk that a redemption by those shareholders of all or a large portion of their Fund shares will cause the Fund to sell securities at disadvantageous prices or otherwise will disrupt the Fund's operations.

Performance

Because the Fund had not yet completed a full calendar year of operations as of the date of this Prospectus, performance information for the Fund is not included.

Management of the Fund

Investment Adviser: Grantham, Mayo, Van Otterloo & Co. LLC

Investment Team and Senior Members of GMO primarily responsible for portfolio management of the Fund:

Investment Team	Senior Member (Length of Service with Fund)	Title
Developed Fixed Income	Ben Inker (since November 2014)	Co-Head, Asset Allocation Team and Co-Head, Developed Fixed Income Team, GMO.
Developed Fixed Income	Sam Wilderman (since November 2014)	Co-Head, Asset Allocation Team and Co-Head, Developed Fixed Income Team, GMO.
Developed Fixed Income	Michael Emanuel (since February 2015)	Portfolio Manager, Developed Fixed Income Team, GMO.
Developed Fixed Income	Greg Jones (since February 2015)	Portfolio Manager, Developed Fixed Income Team, GMO.

Additional information

For important information about purchase and sale of Fund shares, taxes, and financial intermediary compensation, please see "Additional Summary Information About the Funds" on page 144 of this Prospectus.

Investment objective

Total return in excess of that of its benchmark, the J.P. Morgan GBI Global.

Fees and expenses

The table below describes the fees and expenses that you may bear if you buy and hold shares of the Fund.

Annual Fund operating expenses

(expenses that you bear each year as a percentage of the value of your investment)

	Class III
Management fee	0.19% ¹
Shareholder service fee	0.15% ¹
Other expenses	0.22% ²
Acquired fund fees and expenses (underlying fund expenses)	0.13% ³
Total annual operating expenses	0.69%
Expense reimbursement/waiver	(0.22%) ¹
Total annual operating expenses after expense reimbursement/waiver (Fund and underlying fund expenses)	0.47%

¹ *Grantham, Mayo, Van Otterloo & Co. LLC ("GMO") has contractually agreed to reimburse the Fund for the portion of its "Specified Operating Expenses" (as defined below) that exceeds 0.06% of the Fund's average daily net assets. "Specified Operating Expenses" means only the following expenses: audit expenses, fund accounting expenses, pricing service expenses, expenses of non-investment related tax services, transfer agency expenses, expenses of non-investment related legal services provided to the Fund by or at the direction of GMO, federal securities law filing expenses, printing expenses, state and federal registration fees and custody expenses. GMO also has contractually agreed to waive or reduce the Fund's management fees and shareholder service fees to the extent necessary to offset the management fees and shareholder service fees paid to GMO that are directly or indirectly borne by the Fund as a result of the Fund's direct or indirect investments in other series of GMO Trust ("GMO Funds"). Management fees and shareholder service fees will not be waived below zero. This reimbursement and waiver will continue through at least June 30, 2016, and may not be terminated prior to this date without the action or consent of the Fund's Board of Trustees.*

² *The amount includes interest expense incurred by the Fund as a result of entering into reverse repurchase agreements and/or margin on cleared swap contracts, if any. "Other expenses" (before addition of interest expense) and interest expense were approximately 0.22% and less than 0.01%, respectively.*

³ *These indirect expenses include interest expense that may be incurred by certain underlying funds and also include, to the extent applicable, purchase premiums and redemption fees ("transaction fees") charged by certain underlying funds. Net fees and expenses of underlying funds (before addition of interest expense and transaction fees), indirect interest expense, and indirect transaction fees were approximately 0.07%, 0.01%, and 0.05%, respectively.*

Example

This example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. The example assumes that you invest \$10,000 in the Fund for the time periods indicated, regardless of whether or not you redeem your shares at the end of such periods. The example also assumes that your investment has a 5% return each year and that the Fund's operating expenses remain the same as those shown in the table. The one year amount shown reflects the expense reimbursement and waiver noted in the expense table. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

	<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>	<u>10 Years</u>
Class III	\$48	\$205	\$376	\$871

Portfolio turnover

The Fund pays transaction costs, such as commissions, when it buys and sells securities. A higher portfolio turnover rate may result in higher transaction costs and, when Fund shares are held in a taxable account, higher taxes. These costs, which are not reflected in Annual Fund operating expenses or in the Example, affect the Fund's performance. During its fiscal year ended February 28, 2015, the Fund's portfolio turnover rate (excluding short-term investments) was 84% of the average value of its portfolio.

Principal investment strategies

The Fund's investment program has two principal components. One component seeks to replicate the Fund's benchmark. The second component seeks to add value relative to the Fund's benchmark by making investments that may not track its benchmark. These investments principally include global interest rate and currency derivatives and indirect (through other GMO Funds) and direct credit investments in asset-backed, government and emerging country debt securities, and can cause the Fund's performance to differ significantly from that of its benchmark. The Fund typically has substantial direct and indirect investment exposure to the countries (e.g., Japan) and regions (e.g., Eurozone) that represent a significant portion of the Fund's benchmark.

In deciding what investments to make in global interest rate and currency markets and the size of those investments, GMO considers fundamental factors (e.g., inflation and current account positions) as well as price-based factors (e.g., interest and exchange rates). GMO evaluates the relative attractiveness of particular markets and instruments using various fixed income risk premium measures, which typically include exposure to term structure, foreign exchange, volatility, credit, liquidity and other risks. GMO also may consider the relative attractiveness of yield curve and duration positions in these markets.

In making decisions regarding credit investments, GMO uses fundamental investment techniques to assess the expected performance of each investment relative to the Fund's benchmark.

The factors considered and investment methods used by GMO can change over time.

In pursuing its investment program, the Fund may make investments in:

- derivatives, including without limitation, futures contracts, currency options, interest rate options, currency forwards, reverse repurchase agreements, and swap contracts, such as credit default swaps, swaps on securities and securities indices, total return swaps, interest rate swaps, currency swaps, variance swaps, commodity swaps, inflation swaps, municipal swaps, correlation swaps, and other types of swaps (to generate a return comparable to the Fund's benchmark and to generate return in global interest rate, currency, and credit markets);
- non-U.S. bonds and other bonds denominated in various currencies, including non-U.S. and U.S. government bonds, asset-backed securities issued by non-U.S. governments and U.S. government agencies (whether or not guaranteed or insured by those governments), corporate bonds, and mortgage-backed and other asset-backed securities issued by private issuers;
- shares of Debt Opportunities Fund (to provide exposure to global credit (particularly, asset-backed) markets);
- shares of GMO World Opportunity Overlay Fund, a GMO Fund not offered by this Prospectus ("Overlay Fund") (to provide exposure to the global interest rate, currency, and credit markets);
- shares of Emerging Country Debt Fund ("ECDF") (to provide exposure to emerging country debt securities);
- shares of GMO High Quality Short-Duration Bond Fund, a GMO Fund not offered by this Prospectus (to seek to generate a return in excess of that of the J.P. Morgan U.S. 3 Month Cash Index by investing in a wide variety of high quality U.S. and non-U.S. debt investments); and
- shares of U.S. Treasury Fund and money market funds unaffiliated with GMO.

As a result primarily of its investment in shares of Debt Opportunities Fund, Overlay Fund, and ECDF, the Fund has and is expected to continue to have material exposure to U.S. asset-backed and emerging country debt securities that are below investment grade (below investment grade debt investments are sometimes referred to as "junk bonds," although this term is not generally used to refer to emerging country debt securities).

GMO normally seeks to maintain the Fund's estimated interest rate duration within 2 years of the benchmark's duration (approximately 7.4 years as of 5/31/15). For an additional discussion of duration, see "Additional Information About the Funds' Investment Strategies, Risks, and Expenses – Bond Funds – Duration."

Under normal circumstances, the Fund invests directly and indirectly (e.g., through other GMO Funds or derivatives) at least 80% of its assets in bonds (see "Name Policies"). The term "bond" includes (i) obligations of an issuer to make payments on future dates of principal, interest (whether fixed or variable) or both and (ii) synthetic debt instruments created by GMO by using derivatives (e.g., a futures contract, swap contract, currency forward, or option).

From time to time, the Fund may have some direct or indirect exposure to equities.

The Fund is not limited in its use of derivatives or in the total notional value of its derivative positions. As a result of its derivative positions, the Fund typically has gross investment exposures in excess of its net assets (i.e., the Fund typically is leveraged) and therefore is subject to heightened risk of loss. The Fund's performance can depend substantially, if not primarily, on the performance of assets or indices underlying its derivatives even though it does not own those assets or indices.

Principal risks of investing in the Fund

The value of the Fund's shares changes with the value of the Fund's investments. Many factors can affect this value, and you may lose money by investing in the Fund. The Fund is a *non-diversified investment company* under the Investment Company Act of 1940, as amended, and therefore a decline in the market price of a particular security held by the Fund may affect the Fund's performance more than if the Fund were a diversified investment company. The principal risks of investing in the Fund are summarized below. For a more complete discussion of these risks, see "Description of Principal Risks."

- **Currency Risk** – Fluctuations in exchange rates can adversely affect the market value of the Fund's foreign currency holdings and investments denominated in foreign currencies.
- **Market Risk – Fixed Income Investments** – The market price of a fixed income investment can decline due to market-related factors, including rising interest rates and widening credit spreads, or decreased liquidity stemming from the market's uncertainty about the value of a fixed income investment (or class of fixed income investments).

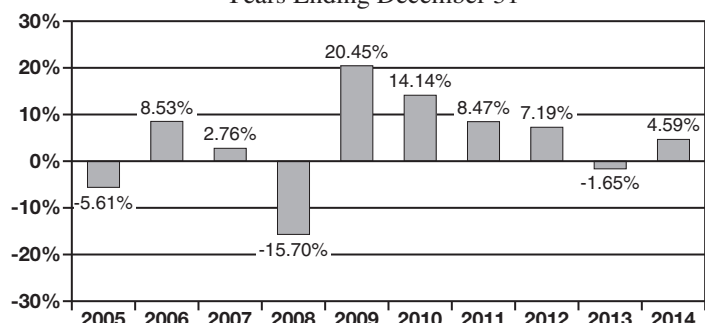
- *Market Risk – Asset-Backed Securities* – The market price of fixed income investments with complex structures, such as asset-backed securities, can decline due to a variety of factors, including market uncertainty about their credit quality and the reliability of their payment streams. Payment streams associated with asset-backed securities held by the Fund depend on many factors (e.g., the cash flow generated by the assets backing the securities, the deal structure, the credit worthiness of any credit-support provider, and the reliability of various other service providers with access to the payment stream), and a problem in any one of these factors can lead to a reduction in the payment stream GMO expected the Fund to receive at the time the Fund purchased the asset-backed security.
- *Credit Risk* – The Fund runs the risk that the issuer or guarantor of a fixed income investment or the obligor of an obligation underlying an asset-backed security will be unable or unwilling to satisfy its obligation to pay principal and interest or otherwise to honor its obligations in a timely manner. The market price of a fixed income investment will normally decline as a result of the issuer's, guarantor's, or obligor's failure to meet its payment obligations. Below investment grade securities have speculative characteristics, and changes in economic conditions or other circumstances are more likely to impair the ability of issuers of those securities to make principal and interest payments than is the case with issuers of investment grade securities.
- *Illiquidity Risk* – Low trading volume, lack of a market maker, large position size, or legal restrictions may limit or prevent the Fund from selling particular securities or closing derivative positions at desirable prices.
- *Derivatives and Short Sales Risk* – The use of derivatives involves the risk that their value may not change as expected relative to changes in the value of the underlying assets, rates, or indices. Derivatives also present other risks, including market risk, illiquidity risk, currency risk, credit risk, and counterparty risk. In addition, the risks of loss associated with derivatives that provide short investment exposure and short sales of securities are theoretically unlimited.
- *Leveraging Risk* – The use of reverse repurchase agreements and other derivatives and securities lending creates leverage. Leverage increases the Fund's losses when the value of its investments (including derivatives) declines.
- *Counterparty Risk* – The Fund runs the risk that the counterparty to a derivatives contract, a clearing member used by the Fund to hold a cleared derivatives contract, or a borrower of the Fund's securities will be unable or unwilling to make timely settlement payments, return the Fund's margin or otherwise honor its obligations.
- *Focused Investment Risk* – Investments focused in countries, regions, sectors, industries, or issuers that are subject to the same or similar risk factors and investments whose prices are strongly correlated, such as the Fund's investments in non-U.S. government bonds and asset-backed securities secured by different types of consumer debt (e.g., credit-card receivables, automobile loans, and home equity loans), are subject to greater overall risk than investments that are more diversified.
- *Management and Operational Risk* – The Fund runs the risk that GMO's investment techniques will fail to produce desired results. GMO often uses quantitative analyses and models as part of its investment process. All models support portfolio decisions but are not necessarily predictive of future market events. These analyses and models also make simplifying assumptions that may limit their effectiveness. In addition, there are limitations (e.g., inaccuracies, staleness) on the data available for analysis or manipulation by the models. Any of those assumptions and/or limitations could adversely affect the Fund's performance. The Fund also runs the risk that GMO's assessment of an investment may be wrong or that deficiencies in GMO's or another service provider's internal systems or controls will cause losses for the Fund or impair Fund operations.
- *Fund of Funds Risk* – The Fund is indirectly exposed to all of the risks of an investment in the underlying funds in which it invests, including the risk that those underlying funds will not perform as expected.
- *Non-U.S. Investment Risk* – The market prices of many non-U.S. securities fluctuate more than those of U.S. securities. Many non-U.S. securities markets are less stable, smaller, less liquid, and less regulated than U.S. securities markets, and the cost of trading in those markets often is higher than in U.S. securities markets. Non-U.S. portfolio transactions generally involve higher commission rates, transfer taxes, and custodial costs than similar transactions in the United States. In addition, the Fund may be subject to non-U.S. taxes, including potentially on a retroactive basis, on (i) capital gains it realizes or dividends, interest, or other amounts it realizes or accrues in respect of non-U.S. investments, (ii) transactions in those investments, and (iii) repatriation of proceeds generated from the sale or other disposition of those investments. Also, the Fund needs a license to invest directly in many non-U.S. securities markets, and the Fund is subject to the risk that it could not invest if its license were terminated or suspended. In some non-U.S. securities markets, prevailing custody and trade settlement practices (e.g., the requirement to pay for securities prior to receipt) expose the Fund to credit and other risks. Further, adverse changes in investment regulations, capital requirements or exchange controls could adversely affect the value of the Fund's investments. These and other risks (e.g., nationalization, expropriation or other confiscation of assets of non-U.S. issuers) tend to be greater for investments in companies tied economically to emerging countries, the economies of which may be predominantly based on only a few industries or dependent on revenues from particular commodities and which often are more volatile than the economies of developed countries.
- *Market Disruption and Geopolitical Risk* – Geopolitical and other events may disrupt securities markets and adversely affect global economies and markets. Those events, as well as other changes in non-U.S. and U.S. economic and political conditions, could adversely affect the value of the Fund's investments.

- **Market Risk – Equities** – The market prices of equities may decline due to factors affecting the issuing companies, their industries, or the economy and equity markets generally. If the Fund purchases equities for less than their value as determined by GMO, the Fund runs the risk that the market prices of these equities will not appreciate or will decline for a variety of reasons, one of which may be GMO's incorrect assessment of their intrinsic value. The Fund also may purchase equities that typically trade at higher multiples of current earnings than other securities, and the market prices of these equities often are more sensitive to changes in future earnings expectations than the market prices of equities trading at lower multiples. Declines in stock market prices generally are likely to reduce the net asset value of the Fund's shares.
- **Smaller Company Risk** – Smaller companies may have limited product lines, markets, or financial resources, may lack the competitive strength of larger companies, may have inexperienced managers or may depend on a few key employees. The securities of companies with smaller market capitalizations often are less widely held and trade less frequently and in lesser quantities, and their market prices often fluctuate more, than the securities of companies with larger market capitalizations.
- **Large Shareholder Risk** – To the extent that a large number of shares of the Fund is held by a single shareholder (e.g., an institutional investor or another GMO Fund) or a group of shareholders with a common investment strategy (e.g., GMO asset allocation accounts), the Fund is subject to the risk that a redemption by those shareholders of all or a large portion of their Fund shares will cause the Fund to sell securities at disadvantageous prices or otherwise will disrupt the Fund's operations.

Performance

The bar chart and table below provide some indication of the risks of investing in the Fund by showing changes in the Fund's annual total returns from year to year for the periods indicated and by comparing the Fund's average annual total returns for different calendar periods with those of a broad-based index. After-tax returns are calculated using the historical highest individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Actual after-tax returns depend on your tax situation and may differ from those shown. After-tax returns shown are not relevant if you are tax-exempt or if you hold your Fund shares through tax-deferred arrangements (such as a 401(k) plan or individual retirement account). Updated performance information for the Fund is available at www.gmo.com. Past performance (before and after taxes) is not an indication of future performance.

Annual Total Returns/Class III Shares
Years Ending December 31



Highest Quarter: 11.84% (3Q2009)
 Lowest Quarter: -12.70% (4Q2008)
 Year-to-Date (as of 3/31/15): -2.55%

Average Annual Total Returns
Periods Ending December 31, 2014

	1 Year	5 Years	10 Years	Incept.
Class III				12/28/95
Return Before Taxes	4.59%	6.42%	3.85%	5.84%
Return After Taxes on Distributions	4.54%	5.29%	2.28%	3.50%
Return After Taxes on Distributions and Sale of Fund Shares	2.60%	4.58%	2.35%	3.58%
J.P. Morgan GBI Global (reflects no deduction for fees, expenses, or taxes)	0.67%	2.13%	3.36%	4.86%

Management of the Fund

Investment Adviser: Grantham, Mayo, Van Otterloo & Co. LLC

Investment Team and Senior Members of GMO primarily responsible for portfolio management of the Fund:

Investment Team	Senior Member (Length of Service with Fund)	Title
Developed Fixed Income	Ben Inker (since November 2014)	Co-Head, Asset Allocation Team and Co-Head, Developed Fixed Income Team, GMO.
Developed Fixed Income	Sam Wilderman (since November 2014)	Co-Head, Asset Allocation Team and Co-Head, Developed Fixed Income Team, GMO.
Developed Fixed Income	Michael Emanuel (since February 2015)	Portfolio Manager, Developed Fixed Income Team, GMO.
Developed Fixed Income	Greg Jones (since February 2015)	Portfolio Manager, Developed Fixed Income Team, GMO.

Additional information

For important information about purchase and sale of Fund shares, taxes, and financial intermediary compensation, please see "Additional Summary Information About the Funds" on page 144 of this Prospectus.

GMO INTERNATIONAL BOND FUND

Investment objective

Total return in excess of that of its benchmark, the J.P. Morgan GBI Global ex U.S.

Fees and expenses

The table below describes the fees and expenses that you may bear if you buy and hold shares of the Fund.

Annual Fund operating expenses

(expenses that you bear each year as a percentage of the value of your investment)

	Class III
Management fee	0.25% ¹
Shareholder service fee	0.15% ¹
Other expenses	0.33% ²
Acquired fund fees and expenses (underlying fund expenses)	0.11% ³
Total annual operating expenses	0.84%
Expense reimbursement/waiver	(0.39%) ¹
Total annual operating expenses after expense reimbursement/waiver (Fund and underlying fund expenses)	0.45%

¹ Grantham, Mayo, Van Otterloo & Co. LLC ("GMO") has contractually agreed to reimburse the Fund for the following expenses: audit expenses, fund accounting expenses, pricing service expenses, expenses of non-investment related tax services, transfer agency expenses, expenses of non-investment related legal services provided to the Fund by or at the direction of GMO, federal securities law filing expenses, printing expenses, state and federal registration fees and custody expenses. GMO also has contractually agreed to waive or reduce the Fund's management fees and shareholder service fees to the extent necessary to offset the management fees and shareholder service fees paid to GMO that are directly or indirectly borne by the Fund as a result of the Fund's direct or indirect investments in other series of GMO Trust ("GMO Funds"). Management fees and shareholder service fees will not be waived below zero. This reimbursement and waiver will continue through at least June 30, 2016, and may not be terminated prior to this date without the action or consent of the Fund's Board of Trustees.

² The amount includes interest expense incurred by the Fund as a result of entering into reverse repurchase agreements and/or margin on cleared swap contracts, if any. "Other expenses" (before addition of interest expense) and interest expense were approximately 0.33% and less than 0.01%, respectively.

³ These indirect expenses include interest expense that may be incurred by certain underlying funds and also include, to the extent applicable, purchase premiums and redemption fees ("transaction fees") charged by certain underlying funds. Net fees and expenses of underlying funds (before addition of interest expense and transaction fees), indirect interest expense, and indirect transaction fees were approximately 0.07%, 0.01% and 0.03%, respectively.

Example

This example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. The example assumes that you invest \$10,000 in the Fund for the time periods indicated, regardless of whether or not you redeem your shares at the end of such periods. The example also assumes that your investment has a 5% return each year and that the Fund's operating expenses remain the same as those shown in the table. The one year amount shown reflects the expense reimbursement and waiver noted in the expense table. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

	1 Year	3 Years	5 Years	10 Years
Class III	\$46	\$238	\$445	\$1,045

Portfolio turnover

The Fund pays transaction costs, such as commissions, when it buys and sells securities. A higher portfolio turnover rate may result in higher transaction costs and, when Fund shares are held in a taxable account, higher taxes. These costs, which are not reflected in Annual Fund operating expenses or in the Example, affect the Fund's performance. During its fiscal year ended February 28, 2015, the Fund's portfolio turnover rate (excluding short-term investments) was 115% of the average value of its portfolio.

Principal investment strategies

The Fund's investment program has two principal components. One component seeks to replicate the Fund's benchmark. The second component seeks to add value relative to the Fund's benchmark by making investments that may not track its benchmark. These investments principally include global interest rate and currency derivatives and indirect (through other GMO Funds) and direct credit investments in asset-backed, government and emerging country debt securities, and can cause the Fund's performance to differ significantly from that of its benchmark. The Fund typically has substantial direct and indirect investment exposure to the countries (e.g., Japan) and regions (e.g., Eurozone) that represent a significant portion of the Fund's benchmark.

In deciding what investments to make in global interest rate and currency markets and the size of those investments, GMO considers fundamental factors (e.g., inflation and current account positions) as well as price-based factors (e.g., interest and exchange rates). GMO evaluates the relative attractiveness of particular markets and instruments using various fixed income risk premium measures, which typically include exposure to term structure, foreign exchange, volatility, credit, liquidity and other risks. GMO also may consider the relative attractiveness of yield curve and duration positions in these markets.

In making decisions regarding credit investments, GMO uses fundamental investment techniques to assess the expected performance of each investment relative to the Fund's benchmark.

The factors considered and investment methods used by GMO can change over time.

In pursuing its investment program, the Fund may make investments in:

- derivatives, including without limitation, futures contracts, currency options, interest rate options, currency forwards, reverse repurchase agreements, and swap contracts, such as credit default swaps, swaps on securities and securities indices, total return swaps, interest rate swaps, currency swaps, variance swaps, commodity swaps, inflation swaps, municipal swaps, correlation swaps, and other types of swaps (to generate a return comparable to the Fund's benchmark and to generate return in global interest rate, currency, and credit markets);
- non-U.S. bonds and other bonds denominated in various currencies, including non-U.S. and U.S. government bonds, asset-backed securities issued by non-U.S. governments and U.S. government agencies (whether or not guaranteed or insured by those governments), corporate bonds, and mortgage-backed and other asset-backed securities issued by private issuers;
- shares of Debt Opportunities Fund (to provide exposure to global credit (particularly, asset-backed) markets);
- shares of GMO World Opportunity Overlay Fund, a GMO Fund not offered by this Prospectus ("Overlay Fund") (to provide exposure to the global interest rate, currency, and credit markets);
- shares of Emerging Country Debt Fund ("ECDF") (to provide exposure to emerging country debt securities);
- shares of GMO High Quality Short-Duration Bond Fund, a GMO Fund not offered by this Prospectus (to seek to generate a return in excess of that of the J.P. Morgan U.S. 3 Month Cash Index by investing in a wide variety of high quality U.S. and non-U.S. debt investments); and
- shares of U.S. Treasury Fund and money market funds unaffiliated with GMO.

As a result primarily of its investment in shares of Debt Opportunities Fund, Overlay Fund, and ECDF, the Fund has and is expected to continue to have material exposure to U.S. asset-backed and emerging country debt securities that are below investment grade (below investment grade debt investments are sometimes referred to as "junk bonds," although this term is not generally used to refer to emerging country debt securities).

GMO normally seeks to maintain the Fund's estimated interest rate duration within 2 years of the benchmark's duration (approximately 8.2 years as of 5/31/15). For an additional discussion of duration, see "Additional Information About the Funds' Investment Strategies, Risks, and Expenses — Bond Funds — Duration."

Under normal circumstances, the Fund invests directly and indirectly (e.g., through other GMO Funds or derivatives) at least 80% of its assets in bonds (see "Name Policies"). The term "bond" includes (i) obligations of an issuer to make payments on future dates of principal, interest (whether fixed or variable) or both and (ii) synthetic debt instruments created by GMO by using derivatives (e.g., a futures contract, swap contract, currency forward, or option).

From time to time, the Fund may have some direct or indirect exposure to equities.

The Fund is not limited in its use of derivatives or in the total notional value of its derivative positions. As a result of its derivative positions, the Fund typically has gross investment exposures in excess of its net assets (i.e., the Fund typically is leveraged) and therefore is subject to heightened risk of loss. The Fund's performance can depend substantially, if not primarily, on the performance of assets or indices underlying its derivatives even though it does not own those assets or indices.

Principal risks of investing in the Fund

The value of the Fund's shares changes with the value of the Fund's investments. Many factors can affect this value, and you may lose money by investing in the Fund. The Fund is a *non-diversified investment company* under the Investment Company Act of 1940, as amended, and therefore a decline in the market price of a particular security held by the Fund may affect the Fund's performance more than if the Fund were a diversified investment company. The principal risks of investing in the Fund are summarized below. For a more complete discussion of these risks, see "Description of Principal Risks."

- **Currency Risk** – Fluctuations in exchange rates can adversely affect the market value of the Fund's foreign currency holdings and investments denominated in foreign currencies.
- **Market Risk – Fixed Income Investments** – The market price of a fixed income investment can decline due to market-related factors, including rising interest rates and widening credit spreads, or decreased liquidity stemming from the market's uncertainty about the value of a fixed income investment (or class of fixed income investments).

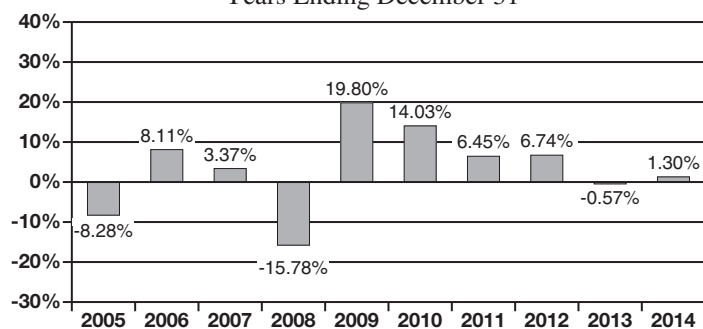
- *Market Risk – Asset-Backed Securities* – The market price of fixed income investments with complex structures, such as asset-backed securities, can decline due to a variety of factors, including market uncertainty about their credit quality and the reliability of their payment streams. Payment streams associated with asset-backed securities held by the Fund depend on many factors (e.g., the cash flow generated by the assets backing the securities, the deal structure, the credit worthiness of any credit-support provider, and the reliability of various other service providers with access to the payment stream), and a problem in any one of these factors can lead to a reduction in the payment stream GMO expected the Fund to receive at the time the Fund purchased the asset-backed security.
- *Credit Risk* – The Fund runs the risk that the issuer or guarantor of a fixed income investment or the obligor of an obligation underlying an asset-backed security will be unable or unwilling to satisfy its obligation to pay principal and interest or otherwise to honor its obligations in a timely manner. The market price of a fixed income investment will normally decline as a result of the issuer's, guarantor's, or obligor's failure to meet its payment obligations. Below investment grade securities have speculative characteristics, and changes in economic conditions or other circumstances are more likely to impair the ability of issuers of those securities to make principal and interest payments than is the case with issuers of investment grade securities.
- *Illiquidity Risk* – Low trading volume, lack of a market maker, large position size, or legal restrictions may limit or prevent the Fund from selling particular securities or closing derivative positions at desirable prices.
- *Derivatives and Short Sales Risk* – The use of derivatives involves the risk that their value may not change as expected relative to changes in the value of the underlying assets, rates, or indices. Derivatives also present other risks, including market risk, illiquidity risk, currency risk, credit risk, and counterparty risk. In addition, the risks of loss associated with derivatives that provide short investment exposure and short sales of securities are theoretically unlimited.
- *Leveraging Risk* – The use of reverse repurchase agreements and other derivatives and securities lending creates leverage. Leverage increases the Fund's losses when the value of its investments (including derivatives) declines.
- *Counterparty Risk* – The Fund runs the risk that the counterparty to a derivatives contract, a clearing member used by the Fund to hold a cleared derivatives contract, or a borrower of the Fund's securities will be unable or unwilling to make timely settlement payments, return the Fund's margin or otherwise honor its obligations.
- *Focused Investment Risk* – Investments focused in countries, regions, sectors, industries, or issuers that are subject to the same or similar risk factors and investments whose prices are strongly correlated, such as the Fund's investments in non-U.S. government bonds and asset-backed securities secured by different types of consumer debt (e.g., credit-card receivables, automobile loans, and home equity loans), are subject to greater overall risk than investments that are more diversified.
- *Management and Operational Risk* – The Fund runs the risk that GMO's investment techniques will fail to produce desired results. GMO often uses quantitative analyses and models as part of its investment process. All models support portfolio decisions but are not necessarily predictive of future market events. These analyses and models also make simplifying assumptions that may limit their effectiveness. In addition, there are limitations (e.g., inaccuracies, staleness) on the data available for analysis or manipulation by the models. Any of those assumptions and/or limitations could adversely affect the Fund's performance. The Fund also runs the risk that GMO's assessment of an investment may be wrong or that deficiencies in GMO's or another service provider's internal systems or controls will cause losses for the Fund or impair Fund operations.
- *Fund of Funds Risk* – The Fund is indirectly exposed to all of the risks of an investment in the underlying funds in which it invests, including the risk that those underlying funds will not perform as expected.
- *Non-U.S. Investment Risk* – The market prices of many non-U.S. securities fluctuate more than those of U.S. securities. Many non-U.S. securities markets are less stable, smaller, less liquid, and less regulated than U.S. securities markets, and the cost of trading in those markets often is higher than in U.S. securities markets. Non-U.S. portfolio transactions generally involve higher commission rates, transfer taxes, and custodial costs than similar transactions in the United States. In addition, the Fund may be subject to non-U.S. taxes, including potentially on a retroactive basis, on (i) capital gains it realizes or dividends, interest, or other amounts it realizes or accrues in respect of non-U.S. investments, (ii) transactions in those investments, and (iii) repatriation of proceeds generated from the sale or other disposition of those investments. Also, the Fund needs a license to invest directly in many non-U.S. securities markets, and the Fund is subject to the risk that it could not invest if its license were terminated or suspended. In some non-U.S. securities markets, prevailing custody and trade settlement practices (e.g., the requirement to pay for securities prior to receipt) expose the Fund to credit and other risks. Further, adverse changes in investment regulations, capital requirements or exchange controls could adversely affect the value of the Fund's investments. These and other risks (e.g., nationalization, expropriation or other confiscation of assets of non-U.S. issuers) tend to be greater for investments in companies tied economically to emerging countries, the economies of which may be predominantly based on only a few industries or dependent on revenues from particular commodities and which often are more volatile than the economies of developed countries.
- *Market Disruption and Geopolitical Risk* – Geopolitical and other events may disrupt securities markets and adversely affect global economies and markets. Those events, as well as other changes in non-U.S. and U.S. economic and political conditions, could adversely affect the value of the Fund's investments.

- **Market Risk – Equities** – The market prices of equities may decline due to factors affecting the issuing companies, their industries, or the economy and equity markets generally. If the Fund purchases equities for less than their value as determined by GMO, the Fund runs the risk that the market prices of these equities will not appreciate or will decline for a variety of reasons, one of which may be GMO's incorrect assessment of their intrinsic value. The Fund also may purchase equities that typically trade at higher multiples of current earnings than other securities, and the market prices of these equities often are more sensitive to changes in future earnings expectations than the market prices of equities trading at lower multiples. Declines in stock market prices generally are likely to reduce the net asset value of the Fund's shares.
- **Smaller Company Risk** – Smaller companies may have limited product lines, markets, or financial resources, may lack the competitive strength of larger companies, may have inexperienced managers or may depend on a few key employees. The securities of companies with smaller market capitalizations often are less widely held and trade less frequently and in lesser quantities, and their market prices often fluctuate more, than the securities of companies with larger market capitalizations.
- **Large Shareholder Risk** – To the extent that a large number of shares of the Fund is held by a single shareholder (e.g., an institutional investor or another GMO Fund) or a group of shareholders with a common investment strategy (e.g., GMO asset allocation accounts), the Fund is subject to the risk that a redemption by those shareholders of all or a large portion of their Fund shares will cause the Fund to sell securities at disadvantageous prices or otherwise will disrupt the Fund's operations.

Performance

The bar chart and table below provide some indication of the risks of investing in the Fund by showing changes in the Fund's annual total returns from year to year for the periods indicated and by comparing the Fund's average annual total returns for different calendar periods with those of a broad-based index. After-tax returns are calculated using the historical highest individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Actual after-tax returns depend on your tax situation and may differ from those shown. After-tax returns shown are not relevant if you are tax-exempt or if you hold your Fund shares through tax-deferred arrangements (such as a 401(k) plan or individual retirement account). Updated performance information for the Fund is available at www.gmo.com. Past performance (before and after taxes) is not an indication of future performance.

Annual Total Returns/Class III Shares
Years Ending December 31



Highest Quarter: 12.33% (3Q2009)
 Lowest Quarter: -12.23% (4Q2008)
 Year-to-Date (as of 3/31/15): -4.70%

Average Annual Total Returns
Periods Ending December 31, 2014

	1 Year	5 Years	10 Years	Incept.
Class III				12/22/93
Return Before Taxes	1.30%	5.47%	3.04%	6.37%
Return After Taxes on Distributions	1.30%	4.16%	0.53%	3.49%
Return After Taxes on Distributions and Sale of Fund Shares	0.74%	4.11%	0.47%	3.48%
J.P. Morgan GBI Global ex U.S. (reflects no deduction for fees, expenses, or taxes)	-2.53%	1.08%	2.80%	5.10%

Management of the Fund

Investment Adviser: Grantham, Mayo, Van Otterloo & Co. LLC

Investment Team and Senior Members of GMO primarily responsible for portfolio management of the Fund:

Investment Team	Senior Member (Length of Service with Fund)	Title
Developed Fixed Income	Ben Inker (since November 2014)	Co-Head, Asset Allocation Team and Co-Head, Developed Fixed Income Team, GMO.
Developed Fixed Income	Sam Wilderman (since November 2014)	Co-Head, Asset Allocation Team and Co-Head, Developed Fixed Income Team, GMO.
Developed Fixed Income	Michael Emanuel (since February 2015)	Portfolio Manager, Developed Fixed Income Team, GMO.
Developed Fixed Income	Greg Jones (since February 2015)	Portfolio Manager, Developed Fixed Income Team, GMO.

Additional information

For important information about purchase and sale of Fund shares, taxes, and financial intermediary compensation, please see "Additional Summary Information About the Funds" on page 144 of this Prospectus.

GMO CURRENCY HEDGED INTERNATIONAL BOND FUND

Investment objective

Total return in excess of that of its benchmark, the J.P. Morgan GBI Global ex Japan ex U.S. (Hedged).

Fees and expenses

The table below describes the fees and expenses that you may bear if you buy and hold shares of the Fund.

Annual Fund operating expenses

(expenses that you bear each year as a percentage of the value of your investment)

	Class III
Management fee	0.25% ¹
Shareholder service fee	0.15% ¹
Other expenses	0.22% ²
Acquired fund fees and expenses (underlying fund expenses)	0.09% ³
Total annual operating expenses	0.71%
Expense reimbursement/waiver	(0.27%) ¹
Total annual operating expenses after expense reimbursement/waiver (Fund and underlying fund expenses)	0.44%

¹ Grantham, Mayo, Van Otterloo & Co. LLC ("GMO") has contractually agreed to reimburse the Fund for the following expenses: audit expenses, fund accounting expenses, pricing service expenses, expenses of non-investment related tax services, transfer agency expenses, expenses of non-investment related legal services provided to the Fund by or at the direction of GMO, federal securities law filing expenses, printing expenses, state and federal registration fees and custody expenses. GMO also has contractually agreed to waive or reduce the Fund's management fees and shareholder service fees to the extent necessary to offset the management fees and shareholder service fees paid to GMO that are directly or indirectly borne by the Fund as a result of the Fund's direct or indirect investments in other series of GMO Trust ("GMO Funds"). Management fees and shareholder service fees will not be waived below zero. This reimbursement and waiver will continue through at least June 30, 2016, and may not be terminated prior to this date without the action or consent of the Fund's Board of Trustees.

² The amount includes interest expense incurred by the Fund as a result of entering into reverse repurchase agreements and/or margin on cleared swap contracts, if any. "Other expenses" (before addition of interest expense) and interest expense were approximately 0.22% and less than 0.01%, respectively.

³ These indirect expenses include interest expense that may be incurred by certain underlying funds and also include, to the extent applicable, purchase premiums and redemption fees ("transaction fees") charged by certain underlying funds. Net fees and expenses of underlying funds (before addition of interest expense and transaction fees), indirect interest expense, and indirect transaction fees were approximately 0.06%, 0.01% and 0.02%, respectively.

Example

This example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. The example assumes that you invest \$10,000 in the Fund for the time periods indicated, regardless of whether or not you redeem your shares at the end of such periods. The example also assumes that your investment has a 5% return each year and that the Fund's operating expenses remain the same as those shown in the table. The one year amount shown reflects the expense reimbursement and waiver noted in the expense table. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

	1 Year	3 Years	5 Years	10 Years
Class III	\$45	\$209	\$386	\$901

Portfolio turnover

The Fund pays transaction costs, such as commissions, when it buys and sells securities. A higher portfolio turnover rate may result in higher transaction costs and, when Fund shares are held in a taxable account, higher taxes. These costs, which are not reflected in Annual Fund operating expenses or in the Example, affect the Fund's performance. During its fiscal year ended February 28, 2015, the Fund's portfolio turnover rate (excluding short-term investments) was 117% of the average value of its portfolio.

Principal investment strategies

The Fund's investment program has two principal components. One component seeks to replicate the Fund's benchmark. The second component seeks to add value relative to the Fund's benchmark by making investments that may not track its benchmark. These investments principally include global interest rate and currency derivatives and indirect (through other GMO Funds) and direct credit investments in asset-backed, government and emerging country debt securities, and can cause the Fund's performance to differ significantly from that of its benchmark. The Fund typically has substantial direct and indirect investment exposure to the countries (e.g., United Kingdom) and regions (e.g., Eurozone) that represent a significant portion of the Fund's benchmark.

In deciding what investments to make in global interest rate and currency markets and the size of those investments, GMO considers fundamental factors (e.g., inflation and current account positions) as well as price-based factors (e.g., interest and exchange rates). GMO evaluates the relative attractiveness of particular markets and instruments using various fixed income risk premium measures, which typically include exposure to term structure, foreign exchange, volatility, credit, liquidity and other risks. GMO also may consider the relative attractiveness of yield curve and duration positions in these markets.

In making decisions regarding credit investments, GMO uses fundamental investment techniques to assess the expected performance of each investment relative to the Fund's benchmark.

The factors considered and investment methods used by GMO can change over time.

In pursuing its investment program, the Fund may make investments in:

- derivatives, including without limitation, futures contracts, currency options, interest rate options, currency forwards, reverse repurchase agreements, and swap contracts, such as credit default swaps, swaps on securities and securities indices, total return swaps, interest rate swaps, currency swaps, variance swaps, commodity swaps, inflation swaps, municipal swaps, correlation swaps, and other types of swaps (to generate a return comparable to the Fund's benchmark and to generate return in global interest rate, currency, and credit markets);
- bonds denominated in various currencies, including non-U.S. and U.S. government bonds, asset-backed securities issued by non-U.S. governments and U.S. government agencies (whether or not guaranteed or insured by those governments), corporate bonds, and mortgage-backed and other asset-backed securities issued by private issuers;
- shares of Debt Opportunities Fund (to provide exposure to global credit (particularly, asset-backed) markets);
- shares of GMO World Opportunity Overlay Fund, a GMO Fund not offered by this Prospectus ("Overlay Fund") (to provide exposure to the global interest rate, currency, and credit markets);
- shares of Emerging Country Debt Fund ("ECDF") (to provide exposure to emerging country debt securities);
- shares of GMO High Quality Short-Duration Bond Fund, a GMO Fund not offered by this Prospectus (to seek to generate a return in excess of that of the J.P. Morgan U.S. 3 Month Cash Index by investing in a wide variety of high quality U.S. and non-U.S. debt investments); and
- shares of U.S. Treasury Fund and money market funds unaffiliated with GMO.

The Fund generally attempts to hedge at least 75% of its net foreign currency exposure into U.S. dollars.

As a result primarily of its investment in shares of Debt Opportunities Fund, Overlay Fund, and ECDF, the Fund has and is expected to continue to have material exposure to U.S. asset-backed and emerging country debt securities that are below investment grade (below investment grade debt investments are sometimes referred to as "junk bonds," although this term is not generally used to refer to emerging country debt securities).

GMO normally seeks to maintain the Fund's estimated interest rate duration within 2 years of the benchmark's duration (approximately 7.9 years as of 5/31/15). For an additional discussion of duration, see "Additional Information About the Funds' Investment Strategies, Risks, and Expenses – Bond Funds – Duration."

Under normal circumstances, the Fund invests directly and indirectly (e.g., through other GMO Funds or derivatives) at least 80% of its assets in bonds (see "Name Policies"). The term "bond" includes (i) obligations of an issuer to make payments on future dates of principal, interest (whether fixed or variable) or both and (ii) synthetic debt instruments created by GMO by using derivatives (e.g., a futures contract, swap contract, currency forward, or option).

From time to time, the Fund may have some direct or indirect exposure to equities.

The Fund is not limited in its use of derivatives or in the total notional value of its derivative positions. As a result of its derivative positions, the Fund typically has gross investment exposures in excess of its net assets (i.e., the Fund typically is leveraged) and therefore is subject to heightened risk of loss. The Fund's performance can depend substantially, if not primarily, on the performance of assets or indices underlying its derivatives even though it does not own those assets or indices.

Principal risks of investing in the Fund

The value of the Fund's shares changes with the value of the Fund's investments. Many factors can affect this value, and you may lose money by investing in the Fund. The Fund is a *non-diversified investment company* under the Investment Company Act of 1940, as amended, and therefore a decline in the market price of a particular security held by the Fund may affect the Fund's performance more than if the Fund were a diversified investment company. The principal risks of investing in the Fund are summarized below. For a more complete discussion of these risks, see "Description of Principal Risks."

- **Market Risk – Fixed Income Investments** – The market price of a fixed income investment can decline due to market-related factors, including rising interest rates and widening credit spreads, or decreased liquidity stemming from the market's uncertainty about the value of a fixed income investment (or class of fixed income investments).
- **Market Risk – Asset-Backed Securities** – The market price of fixed income investments with complex structures, such as asset-backed securities, can decline due to a variety of factors, including market uncertainty about their credit quality and the reliability of their payment streams. Payment streams associated with asset-backed securities held by the Fund depend on many factors (e.g., the cash flow generated by the assets backing the securities, the deal structure, the credit worthiness of any credit-support provider, and the reliability of various other service providers with access to the payment stream), and a problem in any one of these factors can lead to a reduction in the payment stream GMO expected the Fund to receive at the time the Fund purchased the asset-backed security.

- *Credit Risk* – The Fund runs the risk that the issuer or guarantor of a fixed income investment or the obligor of an obligation underlying an asset-backed security will be unable or unwilling to satisfy its obligation to pay principal and interest or otherwise to honor its obligations in a timely manner. The market price of a fixed income investment will normally decline as a result of the issuer's, guarantor's, or obligor's failure to meet its payment obligations. Below investment grade securities have speculative characteristics, and changes in economic conditions or other circumstances are more likely to impair the ability of issuers of those securities to make principal and interest payments than is the case with issuers of investment grade securities.
- *Illiquidity Risk* – Low trading volume, lack of a market maker, large position size, or legal restrictions may limit or prevent the Fund from selling particular securities or closing derivative positions at desirable prices.
- *Derivatives and Short Sales Risk* – The use of derivatives involves the risk that their value may not change as expected relative to changes in the value of the underlying assets, rates, or indices. Derivatives also present other risks, including market risk, illiquidity risk, currency risk, credit risk, and counterparty risk. In addition, the risks of loss associated with derivatives that provide short investment exposure and short sales of securities are theoretically unlimited.
- *Leveraging Risk* – The use of reverse repurchase agreements and other derivatives and securities lending creates leverage. Leverage increases the Fund's losses when the value of its investments (including derivatives) declines.
- *Counterparty Risk* – The Fund runs the risk that the counterparty to a derivatives contract, a clearing member used by the Fund to hold a cleared derivatives contract, or a borrower of the Fund's securities will be unable or unwilling to make timely settlement payments, return the Fund's margin or otherwise honor its obligations.
- *Focused Investment Risk* – Investments focused in countries, regions, sectors, industries, or issuers that are subject to the same or similar risk factors and investments whose prices are strongly correlated, such as the Fund's investments in non-U.S. government bonds and asset-backed securities secured by different types of consumer debt (e.g., credit-card receivables, automobile loans, and home equity loans), are subject to greater overall risk than investments that are more diversified.
- *Currency Risk* – Fluctuations in exchange rates can adversely affect the market value of the Fund's foreign currency holdings and investments denominated in foreign currencies.
- *Management and Operational Risk* – The Fund runs the risk that GMO's investment techniques will fail to produce desired results. GMO often uses quantitative analyses and models as part of its investment process. All models support portfolio decisions but are not necessarily predictive of future market events. These analyses and models also make simplifying assumptions that may limit their effectiveness. In addition, there are limitations (e.g., inaccuracies, staleness) on the data available for analysis or manipulation by the models. Any of those assumptions and/or limitations could adversely affect the Fund's performance. The Fund also runs the risk that GMO's assessment of an investment may be wrong or that deficiencies in GMO's or another service provider's internal systems or controls will cause losses for the Fund or impair Fund operations.
- *Fund of Funds Risk* – The Fund is indirectly exposed to all of the risks of an investment in the underlying funds in which it invests, including the risk that those underlying funds will not perform as expected.
- *Non-U.S. Investment Risk* – The market prices of many non-U.S. securities fluctuate more than those of U.S. securities. Many non-U.S. securities markets are less stable, smaller, less liquid, and less regulated than U.S. securities markets, and the cost of trading in those markets often is higher than in U.S. securities markets. Non-U.S. portfolio transactions generally involve higher commission rates, transfer taxes, and custodial costs than similar transactions in the United States. In addition, the Fund may be subject to non-U.S. taxes, including potentially on a retroactive basis, on (i) capital gains it realizes or dividends, interest, or other amounts it realizes or accrues in respect of non-U.S. investments, (ii) transactions in those investments, and (iii) repatriation of proceeds generated from the sale or other disposition of those investments. Also, the Fund needs a license to invest directly in many non-U.S. securities markets, and the Fund is subject to the risk that it could not invest if its license were terminated or suspended. In some non-U.S. securities markets, prevailing custody and trade settlement practices (e.g., the requirement to pay for securities prior to receipt) expose the Fund to credit and other risks. Further, adverse changes in investment regulations, capital requirements or exchange controls could adversely affect the value of the Fund's investments. These and other risks (e.g., nationalization, expropriation or other confiscation of assets of non-U.S. issuers) tend to be greater for investments in companies tied economically to emerging countries, the economies of which may be predominantly based on only a few industries or dependent on revenues from particular commodities and which often are more volatile than the economies of developed countries.
- *Market Disruption and Geopolitical Risk* – Geopolitical and other events may disrupt securities markets and adversely affect global economies and markets. Those events, as well as other changes in non-U.S. and U.S. economic and political conditions, could adversely affect the value of the Fund's investments.
- *Market Risk – Equities* – The market prices of equities may decline due to factors affecting the issuing companies, their industries, or the economy and equity markets generally. If the Fund purchases equities for less than their value as determined by GMO, the Fund runs the risk that the market prices of these equities will not appreciate or will decline for a variety of reasons, one of which may be GMO's incorrect assessment of their intrinsic value. The Fund also may purchase equities that typically trade at higher multiples of

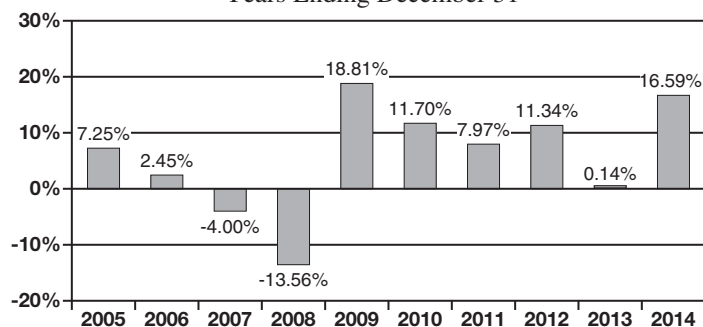
current earnings than other securities, and the market prices of these equities often are more sensitive to changes in future earnings expectations than the market prices of equities trading at lower multiples. Declines in stock market prices generally are likely to reduce the net asset value of the Fund's shares.

- **Smaller Company Risk** – Smaller companies may have limited product lines, markets, or financial resources, may lack the competitive strength of larger companies, may have inexperienced managers or may depend on a few key employees. The securities of companies with smaller market capitalizations often are less widely held and trade less frequently and in lesser quantities, and their market prices often fluctuate more, than the securities of companies with larger market capitalizations.
- **Large Shareholder Risk** – To the extent that a large number of shares of the Fund is held by a single shareholder (e.g., an institutional investor or another GMO Fund) or a group of shareholders with a common investment strategy (e.g., GMO asset allocation accounts), the Fund is subject to the risk that a redemption by those shareholders of all or a large portion of their Fund shares will cause the Fund to sell securities at disadvantageous prices or otherwise will disrupt the Fund's operations.

Performance

The bar chart and table below provide some indication of the risks of investing in the Fund by showing changes in the Fund's annual total returns from year to year for the periods indicated and by comparing the Fund's average annual total returns for different calendar periods with those of the Fund's benchmark (which is a broad-based index) and a composite index computed by GMO. After-tax returns are calculated using the historical highest individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Actual after-tax returns depend on your tax situation and may differ from those shown. After-tax returns shown are not relevant if you are tax-exempt or if you hold your Fund shares through tax-deferred arrangements (such as a 401(k) plan or individual retirement account). Updated performance information for the Fund is available at www.gmo.com. Past performance (before and after taxes) is not an indication of future performance.

Annual Total Returns/Class III Shares
Years Ending December 31



Highest Quarter: 8.23% (3Q2009)
Lowest Quarter: -11.09% (4Q2008)
Year-to-Date (as of 3/31/15): 3.15%

Average Annual Total Returns
Periods Ending December 31, 2014

	1 Year	5 Years	10 Years	Incept.
Class III				9/30/94
Return Before Taxes	16.59%	9.41%	5.44%	8.18%
Return After Taxes on Distributions	14.09%	7.56%	3.54%	5.08%
Return After Taxes on Distributions and Sale of Fund Shares	9.38%	6.61%	3.44%	5.08%
J.P. Morgan GBI Global ex Japan ex U.S. (Hedged) (Fund benchmark) (reflects no deduction for fees, expenses, or taxes)	13.10%	6.24%	5.49%	7.02%
J.P. Morgan GBI Global ex Japan ex U.S. (Hedged) + (Composite index)	13.10%	6.24%	5.49%	7.07%

Management of the Fund

Investment Adviser: Grantham, Mayo, Van Otterloo & Co. LLC

Investment Team and Senior Members of GMO primarily responsible for portfolio management of the Fund:

Investment Team	Senior Member (Length of Service with Fund)	Title
Developed Fixed Income	Ben Inker (since November 2014)	Co-Head, Asset Allocation Team and Co-Head, Developed Fixed Income Team, GMO.
Developed Fixed Income	Sam Wilderman (since November 2014)	Co-Head, Asset Allocation Team and Co-Head, Developed Fixed Income Team, GMO.
Developed Fixed Income	Michael Emanuel (since February 2015)	Portfolio Manager, Developed Fixed Income Team, GMO.
Developed Fixed Income	Greg Jones (since February 2015)	Portfolio Manager, Developed Fixed Income Team, GMO.

Additional information

For important information about purchase and sale of Fund shares, taxes, and financial intermediary compensation, please see "Additional Summary Information About the Funds" on page 144 of this Prospectus.

Investment objective

Total return in excess of that of its benchmark, the Barclays U.S. Aggregate Index.

Fees and expenses

The table below describes the fees and expenses that you may bear for each class of shares if you buy and hold shares of the Fund.

Annual Fund operating expenses

(expenses that you bear each year as a percentage of the value of your investment)

	Class III	Class IV
Management fee	0.25% ¹	0.25% ¹
Shareholder service fee	0.15% ¹	0.10% ¹
Other expenses	0.13% ²	0.13% ²
Acquired fund fees and expenses (underlying fund expenses)	0.07% ³	0.07% ³
Total annual operating expenses	0.60%	0.55%
Expense reimbursement/waiver	(0.15%) ¹	(0.15%) ¹
Total annual operating expenses after expense reimbursement/waiver (Fund and underlying fund expenses)	0.45%	0.40%

¹ Grantham, Mayo, Van Otterloo & Co. LLC ("GMO") has contractually agreed to reimburse the Fund for the following expenses: audit expenses, fund accounting expenses, pricing service expenses, expenses of non-investment related tax services, transfer agency expenses, expenses of non-investment related legal services provided to the Fund by or at the direction of GMO, federal securities law filing expenses, printing expenses, state and federal registration fees and custody expenses. GMO also has contractually agreed to waive or reduce the Fund's management fees and shareholder service fees to the extent necessary to offset the management fees and shareholder service fees paid to GMO that are directly or indirectly borne by the Fund or a class of shares of the Fund as a result of the Fund's direct or indirect investments in other series of GMO Trust ("GMO Funds"). Management fees and shareholder service fees will not be waived below zero. This reimbursement and waiver will continue through at least June 30, 2016, and may not be terminated prior to this date without the action or consent of the Fund's Board of Trustees.

² The amount includes interest expense incurred by the Fund as a result of entering into reverse repurchase agreements and/or margin on cleared swap contracts, if any. "Other expenses" (before addition of interest expense) and interest expense were approximately 0.12% and less than 0.01%, respectively.

³ These indirect expenses include interest expense that may be incurred by certain underlying funds and also include, to the extent applicable, purchase premiums and redemption fees ("transaction fees") charged by certain underlying funds. Net fees and expenses of underlying funds (before addition of interest expense and transaction fees), indirect interest expense, and indirect transaction fees were approximately 0.04%, 0.01% and 0.02%, respectively.

Example

This example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. The example assumes that you invest \$10,000 in the Fund for the time periods indicated, regardless of whether or not you redeem your shares at the end of such periods. The example also assumes that your investment has a 5% return each year and that the Fund's operating expenses remain the same as those shown in the table. The one year amounts shown reflect the expense reimbursement and waiver noted in the expense table. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

	1 Year	3 Years	5 Years	10 Years
Class III	\$46	\$184	\$333	\$769
Class IV	\$41	\$168	\$306	\$709

Portfolio turnover

The Fund pays transaction costs, such as commissions, when it buys and sells securities. A higher portfolio turnover rate may result in higher transaction costs and, when Fund shares are held in a taxable account, higher taxes. These costs, which are not reflected in Annual Fund operating expenses or in the Example, affect the Fund's performance. During its fiscal year ended February 28, 2015, the Fund's portfolio turnover rate (excluding short-term investments) was 128% of the average value of its portfolio.

Principal investment strategies

The Fund's investment program has two principal components. One component seeks to replicate the Fund's benchmark. The second component seeks to add value relative to the Fund's benchmark by making investments that do not track its benchmark. These investments principally include global interest rate and currency derivatives and indirect (through other GMO Funds) and direct credit investments in asset-backed, government and emerging country debt securities, and can cause the Fund's performance to differ significantly from that of its benchmark.

In deciding what investments to make in global interest rate and currency markets and the size of those investments, GMO considers fundamental factors (e.g., inflation and current account positions) as well as price-based factors (e.g., interest and exchange rates). GMO evaluates the relative attractiveness of particular markets and instruments using various fixed income risk premium measures, which typically include exposure to term structure, foreign exchange, volatility, credit, liquidity and other risks. GMO also may consider the relative attractiveness of yield curve and duration positions in these markets.

In making decisions regarding credit investments, GMO uses fundamental investment techniques to assess the expected performance of each investment relative to the Fund's benchmark.

The factors considered and investment methods used by GMO can change over time.

In pursuing its investment program, the Fund may make investments in:

- derivatives and short sales, including without limitation, futures contracts, currency options, interest rate options, currency forwards, reverse repurchase agreements, and swap contracts, such as credit default swaps, swaps on securities and securities indices, total return swaps, interest rate swaps, currency swaps, variance swaps, commodity swaps, inflation swaps, municipal swaps, correlation swaps, and other types of swaps (to generate a return comparable to the Fund's benchmark and to generate return in global interest rate, currency, and credit markets);
- bonds denominated in various currencies, including non-U.S. and U.S. government bonds, asset-backed securities issued by non-U.S. governments and U.S. government agencies (whether or not guaranteed or insured by those governments), corporate bonds, and mortgage-backed and other asset-backed securities issued by private issuers;
- shares of Debt Opportunities Fund (to provide exposure to global credit (particularly, asset-backed) markets);
- shares of GMO World Opportunity Overlay Fund, a GMO Fund not offered by this Prospectus ("Overlay Fund") (to provide exposure to the global interest rate, currency, and credit markets);
- shares of Emerging Country Debt Fund ("ECDF") (to provide exposure to emerging country debt securities);
- shares of GMO High Quality Short-Duration Bond Fund, a GMO Fund not offered by this Prospectus (to seek to generate a return in excess of that of the J.P. Morgan U.S. 3 Month Cash Index by investing in a wide variety of high quality U.S. and non-U.S. debt investments); and
- shares of U.S. Treasury Fund and money market funds unaffiliated with GMO.

As a result primarily of its investment in shares of Debt Opportunities Fund, Overlay Fund, and ECDF, the Fund has and is expected to continue to have material exposure to U.S. asset-backed and emerging country debt securities that are below investment grade (below investment grade debt investments are sometimes referred to as "junk bonds," although this term is not generally used to refer to emerging country debt securities).

GMO normally seeks to maintain the Fund's estimated interest rate duration within 2 years of the benchmark's duration (approximately 5.5 years as of 5/31/15). For an additional discussion of duration, see "Additional Information About the Funds' Investment Strategies, Risks, and Expenses – Bond Funds – Duration."

Under normal circumstances, the Fund invests directly and indirectly (e.g., through other GMO Funds or derivatives) at least 80% of its assets in bonds (see "Name Policies"). The term "bond" includes (i) obligations of an issuer to make payments on future dates of principal, interest (whether fixed or variable) or both and (ii) synthetic debt instruments created by GMO by using derivatives (e.g., a futures contract, swap contract, currency forward, or option).

From time to time, the Fund may have some direct or indirect exposure to equities.

The Fund is not limited in its use of derivatives or in the total notional value of its derivative positions. As a result of its derivative positions, the Fund typically has gross investment exposures in excess of its net assets (i.e., the Fund typically is leveraged) and therefore is subject to heightened risk of loss. The Fund's performance can depend substantially, if not primarily, on the performance of assets or indices underlying its derivatives even though it does not own those assets or indices.

Principal risks of investing in the Fund

The value of the Fund's shares changes with the value of the Fund's investments. Many factors can affect this value, and you may lose money by investing in the Fund. The Fund is a *non-diversified investment company* under the Investment Company Act of 1940, as amended, and therefore a decline in the market price of a particular security held by the Fund may affect the Fund's performance more than if the Fund were a diversified investment company. The principal risks of investing in the Fund are summarized below. For a more complete discussion of these risks, see "Description of Principal Risks."

- **Market Risk – Fixed Income Investments** – The market price of a fixed income investment can decline due to market-related factors, including rising interest rates and widening credit spreads, or decreased liquidity stemming from the market's uncertainty about the value of a fixed income investment (or class of fixed income investments).
- **Market Risk – Asset-Backed Securities** – The market price of fixed income investments with complex structures, such as asset-backed securities, can decline due to a variety of factors, including market uncertainty about their credit quality and the reliability of their payment streams. Payment streams associated with asset-backed securities held by the Fund depend on many factors (e.g., the cash flow

generated by the assets backing the securities, the deal structure, the credit worthiness of any credit-support provider, and the reliability of various other service providers with access to the payment stream), and a problem in any one of these factors can lead to a reduction in the payment stream GMO expected the Fund to receive at the time the Fund purchased the asset-backed security.

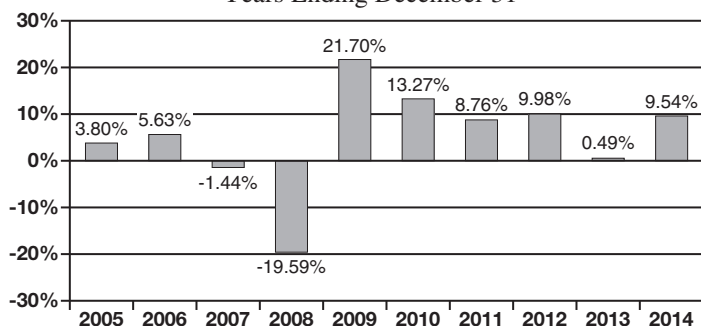
- *Credit Risk* – The Fund runs the risk that the issuer or guarantor of a fixed income investment or the obligor of an obligation underlying an asset-backed security will be unable or unwilling to satisfy its obligation to pay principal and interest or otherwise to honor its obligations in a timely manner. The market price of a fixed income investment will normally decline as a result of the issuer's, guarantor's, or obligor's failure to meet its payment obligations. Below investment grade securities have speculative characteristics, and changes in economic conditions or other circumstances are more likely to impair the ability of issuers of those securities to make principal and interest payments than is the case with issuers of investment grade securities.
- *Illiquidity Risk* – Low trading volume, lack of a market maker, large position size, or legal restrictions may limit or prevent the Fund from selling particular securities or closing derivative positions at desirable prices.
- *Derivatives and Short Sales Risk* – The use of derivatives involves the risk that their value may not change as expected relative to changes in the value of the underlying assets, rates, or indices. Derivatives also present other risks, including market risk, illiquidity risk, currency risk, credit risk, and counterparty risk. In addition, the risks of loss associated with derivatives that provide short investment exposure and short sales of securities are theoretically unlimited.
- *Leveraging Risk* – The use of reverse repurchase agreements and other derivatives and securities lending creates leverage. Leverage increases the Fund's losses when the value of its investments (including derivatives) declines.
- *Counterparty Risk* – The Fund runs the risk that the counterparty to a derivatives contract, a clearing member used by the Fund to hold a cleared derivatives contract, or a borrower of the Fund's securities will be unable or unwilling to make timely settlement payments, return the Fund's margin or otherwise honor its obligations.
- *Focused Investment Risk* – Investments focused in countries, regions, sectors, industries, or issuers that are subject to the same or similar risk factors and investments whose prices are strongly correlated, such as the Fund's investments in non-U.S. government bonds and asset-backed securities secured by different types of consumer debt (e.g., credit-card receivables, automobile loans, and home equity loans), are subject to greater overall risk than investments that are more diversified.
- *Currency Risk* – Fluctuations in exchange rates can adversely affect the market value of the Fund's foreign currency holdings and investments denominated in foreign currencies.
- *Management and Operational Risk* – The Fund runs the risk that GMO's investment techniques will fail to produce desired results. GMO often uses quantitative analyses and models as part of its investment process. All models support portfolio decisions but are not necessarily predictive of future market events. These analyses and models also make simplifying assumptions that may limit their effectiveness. In addition, there are limitations (e.g., inaccuracies, staleness) on the data available for analysis or manipulation by the models. Any of those assumptions and/or limitations could adversely affect the Fund's performance. The Fund also runs the risk that GMO's assessment of an investment may be wrong or that deficiencies in GMO's or another service provider's internal systems or controls will cause losses for the Fund or impair Fund operations.
- *Fund of Funds Risk* – The Fund is indirectly exposed to all of the risks of an investment in the underlying funds in which it invests, including the risk that those underlying funds will not perform as expected.
- *Non-U.S. Investment Risk* – The market prices of many non-U.S. securities fluctuate more than those of U.S. securities. Many non-U.S. securities markets are less stable, smaller, less liquid, and less regulated than U.S. securities markets, and the cost of trading in those markets often is higher than in U.S. securities markets. Non-U.S. portfolio transactions generally involve higher commission rates, transfer taxes, and custodial costs than similar transactions in the United States. In addition, the Fund may be subject to non-U.S. taxes, including potentially on a retroactive basis, on (i) capital gains it realizes or dividends, interest, or other amounts it realizes or accrues in respect of non-U.S. investments, (ii) transactions in those investments, and (iii) repatriation of proceeds generated from the sale or other disposition of those investments. Also, the Fund needs a license to invest directly in many non-U.S. securities markets, and the Fund is subject to the risk that it could not invest if its license were terminated or suspended. In some non-U.S. securities markets, prevailing custody and trade settlement practices (e.g., the requirement to pay for securities prior to receipt) expose the Fund to credit and other risks. Further, adverse changes in investment regulations, capital requirements or exchange controls could adversely affect the value of the Fund's investments. These and other risks (e.g., nationalization, expropriation or other confiscation of assets of non-U.S. issuers) tend to be greater for investments in companies tied economically to emerging countries, the economies of which may be predominantly based on only a few industries or dependent on revenues from particular commodities and which often are more volatile than the economies of developed countries.
- *Market Disruption and Geopolitical Risk* – Geopolitical and other events may disrupt securities markets and adversely affect global economies and markets. Those events, as well as other changes in non-U.S. and U.S. economic and political conditions, could adversely affect the value of the Fund's investments.

- **Market Risk – Equities** – The market prices of equities may decline due to factors affecting the issuing companies, their industries, or the economy and equity markets generally. If the Fund purchases equities for less than their value as determined by GMO, the Fund runs the risk that the market prices of these equities will not appreciate or will decline for a variety of reasons, one of which may be GMO's incorrect assessment of their intrinsic value. The Fund also may purchase equities that typically trade at higher multiples of current earnings than other securities, and the market prices of these equities often are more sensitive to changes in future earnings expectations than the market prices of equities trading at lower multiples. Declines in stock market prices generally are likely to reduce the net asset value of the Fund's shares.
- **Smaller Company Risk** – Smaller companies may have limited product lines, markets, or financial resources, may lack the competitive strength of larger companies, may have inexperienced managers or may depend on a few key employees. The securities of companies with smaller market capitalizations often are less widely held and trade less frequently and in lesser quantities, and their market prices often fluctuate more, than the securities of companies with larger market capitalizations.
- **Large Shareholder Risk** – To the extent that a large number of shares of the Fund is held by a single shareholder (e.g., an institutional investor or another GMO Fund) or a group of shareholders with a common investment strategy (e.g., GMO asset allocation accounts), the Fund is subject to the risk that a redemption by those shareholders of all or a large portion of their Fund shares will cause the Fund to sell securities at disadvantageous prices or otherwise will disrupt the Fund's operations.

Performance

The bar chart and table below provide some indication of the risks of investing in the Fund by showing changes in the Fund's annual total returns from year to year for the periods indicated and by comparing the Fund's average annual total returns for different calendar periods with those of a broad-based index. After-tax returns are calculated using the historical highest individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Actual after-tax returns depend on your tax situation and may differ from those shown. After-tax returns shown are not relevant if you are tax-exempt or if you hold your Fund shares through tax-deferred arrangements (such as a 401(k) plan or individual retirement account). After-tax returns are shown for Class III shares only; after-tax returns for other classes will vary. Updated performance information for the Fund is available at www.gmo.com. Past performance (before and after taxes) is not an indication of future performance.

Annual Total Returns/Class III Shares
Years Ending December 31



Highest Quarter: 9.12% (3Q2009)
Lowest Quarter: -15.24% (4Q2008)
Year-to-Date (as of 3/31/15): 0.53%

Average Annual Total Returns
Periods Ending December 31, 2014

	1 Year	5 Years	10 Years	Incept.
Class III				4/30/97
Return Before Taxes	9.54%	8.32%	4.66%	5.96%
Return After Taxes on Distributions	7.61%	6.12%	1.94%	3.26%
Return After Taxes on Distributions and Sale of Fund Shares	5.39%	5.61%	2.43%	3.52%
Barclays U.S. Aggregate Index (reflects no deduction for fees, expenses, or taxes)	5.97%	4.45%	4.71%	5.76%
Class IV				7/26/05
Return Before Taxes	9.47%	8.36%	N/A	4.78%
Barclays U.S. Aggregate Index (reflects no deduction for fees, expenses, or taxes)	5.97%	4.45%	N/A	4.81%

Management of the Fund

Investment Adviser: Grantham, Mayo, Van Otterloo & Co. LLC

Investment Team and Senior Members of GMO primarily responsible for portfolio management of the Fund:

Investment Team	Senior Member (Length of Service with Fund)	Title
Developed Fixed Income	Ben Inker (since November 2014)	Co-Head, Asset Allocation Team and Co-Head, Developed Fixed Income Team, GMO.
Developed Fixed Income	Sam Wilderman (since November 2014)	Co-Head, Asset Allocation Team and Co-Head, Developed Fixed Income Team, GMO.
Developed Fixed Income	Michael Emanuel (since February 2015)	Portfolio Manager, Developed Fixed Income Team, GMO.
Developed Fixed Income	Greg Jones (since February 2015)	Portfolio Manager, Developed Fixed Income Team, GMO.

Additional information

For important information about purchase and sale of Fund shares, taxes, and financial intermediary compensation, please see “Additional Summary Information About the Funds” on page 144 of this Prospectus.

Investment objective

Total return in excess of that of its benchmark, the J.P. Morgan EMBI Global.

Fees and expenses

The tables below describe the fees and expenses that you may bear for each class of shares if you buy and hold shares of the Fund.

Shareholder fees

(fees paid directly from your investment)

	Class III	Class IV
Purchase premium (as a percentage of amount invested)	0.50%	0.50%
Redemption fee (as a percentage of amount redeemed)	0.50%	0.50%

Annual Fund operating expenses

(expenses that you bear each year as a percentage of the value of your investment)

	Class III	Class IV
Management fee	0.35% ¹	0.35% ¹
Shareholder service fee	0.15% ¹	0.10% ¹
Other expenses	0.06%	0.06%
Total annual operating expenses	0.56%	0.51%
Expense waiver	(0.00%) ¹	(0.00%) ¹
Total annual operating expenses after expense waiver	0.56%	0.51%

¹ Grantham, Mayo, Van Otterloo & Co. LLC ("GMO") has contractually agreed to waive or reduce the Fund's management fees and shareholder service fees to the extent necessary to offset the management fees and shareholder service fees paid to GMO that are directly or indirectly borne by the Fund or a class of shares of the Fund as a result of the Fund's direct or indirect investments in other series of GMO Trust ("GMO Funds"). Management fees and shareholder service fees will not be waived below zero. This waiver will continue through at least June 30, 2016, and may not be terminated prior to this date without the action or consent of the Fund's Board of Trustees. During the Fund's most recent fiscal year, the impact of this waiver was less than 0.01%.

Example

This example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. The example assumes that you invest \$10,000 in the Fund for the time periods indicated. The example also assumes that your investment has a 5% return each year and that the Fund's operating expenses remain the same as those shown in the table. The one year amounts shown reflect the expense waiver noted in the expense table. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

	If you sell your shares				If you do not sell your shares			
	1 Year	3 Years	5 Years	10 Years	1 Year	3 Years	5 Years	10 Years
Class III	\$159	\$287	\$428	\$836	\$107	\$231	\$366	\$759
Class IV	\$154	\$272	\$400	\$776	\$102	\$215	\$338	\$698

Portfolio turnover

The Fund pays transaction costs, such as commissions, when it buys and sells securities. A higher portfolio turnover rate may result in higher transaction costs and, when Fund shares are held in a taxable account, higher taxes. These costs, which are not reflected in Annual Fund operating expenses or in the Example, affect the Fund's performance. During its fiscal year ended February 28, 2015, the Fund's portfolio turnover rate (excluding short-term investments) was 18% of the average value of its portfolio.

Principal investment strategies

The Fund invests primarily in debt of emerging countries that is issued by a sovereign or its instrumentalities and that usually is denominated in U.S. dollars, Euros, Japanese yen, Swiss francs or British pounds sterling. Under normal circumstances, the Fund invests directly and indirectly (e.g., through other GMO Funds or derivatives) at least 80% of its assets in debt investments tied economically to emerging countries (see "Name Policies"). The term "emerging countries" means the world's less developed countries. In general, the Fund considers "emerging countries" to be the countries included in the Fund's benchmark, as well as other countries with similar national domestic products or default histories.

The Fund typically gains its investment exposure by purchasing debt investments or by using derivatives, typically credit default swaps. The Fund may invest in debt instruments of all credit qualities, including securities that are in default. (These may include below investment grade debt investments, which are sometimes referred to as "junk bonds," although this term is not generally used to refer to emerging country debt securities.) Generally, at least 75% of the Fund's assets are denominated in, or hedged into, U.S. dollars. The Fund's performance is likely to be more volatile than that of its benchmark.

GMO relies principally on a bottom-up approach in selecting investments, using fundamental analytical techniques. GMO also considers its outlook for a country in making investment decisions. The factors considered and investment methods used by GMO can change over time.

In pursuing its investment objective, the Fund typically invests in exchange-traded and over-the-counter (OTC) derivatives, including options, swap contracts (in addition to credit default swaps), currency forwards (including currency forwards on currencies of the developed markets), reverse repurchase agreements and futures. The Fund is not limited in its use of derivatives or in the total notional value of its derivative positions. As a result of its derivative positions, the Fund typically has gross investment exposures in excess of its net assets (i.e., the Fund typically is leveraged) and therefore is subject to heightened risk of loss. The Fund's performance can depend substantially, if not primarily, on the performance of assets or indices underlying its derivatives even though it does not own those assets or indices.

The Fund also may invest in U.S. Treasury Fund and in money market funds unaffiliated with GMO.

GMO normally seeks to maintain an interest rate duration for the Fund that is similar to that of its benchmark (approximately 7 years as of 5/31/15). For an additional discussion of duration, see "Additional Information About the Funds' Investment Strategies, Risks, and Expenses – Bond Funds – Duration."

Principal risks of investing in the Fund

The value of the Fund's shares changes with the value of the Fund's investments. Many factors can affect this value, and you may lose money by investing in the Fund. The Fund is a *non-diversified investment company* under the Investment Company Act of 1940, as amended, and therefore a decline in the market price of a particular security held by the Fund may affect the Fund's performance more than if the Fund were a diversified investment company. The principal risks of investing in the Fund are summarized below. For a more complete discussion of these risks, see "Description of Principal Risks."

- **Management and Operational Risk** – The Fund runs the risk that GMO's investment techniques will fail to produce desired results. GMO often uses quantitative analyses and models as part of its investment process. All models support portfolio decisions but are not necessarily predictive of future market events. These analyses and models also make simplifying assumptions that may limit their effectiveness. In addition, there are limitations (e.g., inaccuracies, staleness) on the data available for analysis or manipulation by the models. Any of those assumptions and/or limitations could adversely affect the Fund's performance. The Fund also runs the risk that GMO's assessment of an investment may be wrong or that deficiencies in GMO's or another service provider's internal systems or controls will cause losses for the Fund or impair Fund operations.
- **Market Risk – Fixed Income Investments** – The market price of a fixed income investment can decline due to market-related factors, including rising interest rates and widening credit spreads, or decreased liquidity stemming from the market's uncertainty about the value of a fixed income investment (or class of fixed income investments). In addition, the market price of emerging country sovereign and quasi-sovereign debt instruments can decline due to market uncertainty about their credit quality and the reliability of their payment streams.
- **Credit Risk** – The Fund runs the risk that the issuer or guarantor of a fixed income investment or the obligor of an obligation underlying an asset-backed security will be unable or unwilling to satisfy its obligation to pay principal and interest or otherwise to honor its obligations in a timely manner. The market price of a fixed income investment will normally decline as a result of the issuer's, guarantor's, or obligor's failure to meet its payment obligations. In addition, investments in emerging country sovereign debt involve a heightened risk that the issuer responsible for repayment of the debt may be unable or unwilling to pay interest and repay principal when due, and the Fund may lack recourse against the issuer in the event of default. Investments in quasi-sovereign debt are also subject to the risk that the issuer will default independently of its sovereign. Below investment grade securities have speculative characteristics, and changes in economic conditions or other circumstances are more likely to impair the ability of issuers of those securities to make principal and interest payments than is the case with issuers of investment grade securities.
- **Illiquidity Risk** – Low trading volume, lack of a market maker, large position size, or legal restrictions may limit or prevent the Fund from selling particular securities or closing derivative positions at desirable prices.
- **Derivatives and Short Sales Risk** – The use of derivatives involves the risk that their value may not change as expected relative to changes in the value of the underlying assets, rates, or indices. Derivatives also present other risks, including market risk, illiquidity risk, currency risk, credit risk, and counterparty risk. In addition, the risks of loss associated with derivatives that provide short investment exposure and short sales of securities are theoretically unlimited.
- **Counterparty Risk** – The Fund runs the risk that the counterparty to a derivatives contract, a clearing member used by the Fund to hold a cleared derivatives contract, or a borrower of the Fund's securities will be unable or unwilling to make timely settlement payments, return the Fund's margin or otherwise honor its obligations.

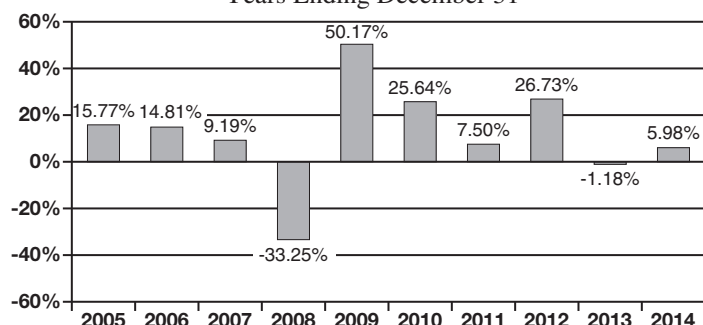
- *Non-U.S. Investment Risk* – The market prices of many non-U.S. securities fluctuate more than those of U.S. securities. Many non-U.S. securities markets are less stable, smaller, less liquid, and less regulated than U.S. securities markets, and the cost of trading in those markets often is higher than in U.S. securities markets. Non-U.S. portfolio transactions generally involve higher commission rates, transfer taxes, and custodial costs than similar transactions in the United States. In addition, the Fund may be subject to non-U.S. taxes, including potentially on a retroactive basis, on (i) capital gains it realizes or dividends, interest, or other amounts it realizes or accrues in respect of non-U.S. investments, (ii) transactions in those investments, and (iii) repatriation of proceeds generated from the sale or other disposition of those investments. Also, the Fund needs a license to invest directly in many non-U.S. securities markets, and the Fund is subject to the risk that it could not invest if its license were terminated or suspended. In some non-U.S. securities markets, prevailing custody and trade settlement practices (e.g., the requirement to pay for securities prior to receipt) expose the Fund to credit and other risks. Further, adverse changes in investment regulations, capital requirements or exchange controls could adversely affect the value of the Fund's investments. These and other risks (e.g., nationalization, expropriation or other confiscation of assets of non-U.S. issuers) tend to be greater for investments in companies tied economically to emerging countries, the economies of which may be predominantly based on only a few industries or dependent on revenues from particular commodities and which often are more volatile than the economies of developed countries.
- *Large Shareholder Risk* – To the extent that a large number of shares of the Fund is held by a single shareholder (e.g., an institutional investor or another GMO Fund) or a group of shareholders with a common investment strategy (e.g., GMO asset allocation accounts), the Fund is subject to the risk that a redemption by those shareholders of all or a large portion of their Fund shares will cause the Fund to sell securities at disadvantageous prices or otherwise will disrupt the Fund's operations.
- *Currency Risk* – Fluctuations in exchange rates can adversely affect the market value of the Fund's foreign currency holdings and investments denominated in foreign currencies.
- *Market Disruption and Geopolitical Risk* – Geopolitical and other events may disrupt securities markets and adversely affect global economies and markets. Those events, as well as other changes in non-U.S. and U.S. economic and political conditions, could adversely affect the value of the Fund's investments.
- *Focused Investment Risk* – Investments focused in a limited number of countries, regions, sectors, industries, or issuers that are subject to the same or similar risk factors and investments whose prices are strongly correlated are subject to greater overall risk than investments that are more diversified.
- *Fund of Funds Risk* – The Fund is indirectly exposed to all of the risks of an investment in the underlying funds in which it invests, including the risk that those underlying funds will not perform as expected.
- *Market Risk – Asset-Backed Securities* – The market price of fixed income investments with complex structures, such as asset-backed securities, can decline due to a variety of factors, including market uncertainty about their credit quality and the reliability of their payment streams. Payment streams associated with asset-backed securities held by the Fund depend on many factors (e.g., the cash flow generated by the assets backing the securities, the deal structure, the credit worthiness of any credit-support provider, and the reliability of various other service providers with access to the payment stream), and a problem in any one of these factors can lead to a reduction in the payment stream GMO expected the Fund to receive at the time the Fund purchased the asset-backed security.
- *Leveraging Risk* – The use of reverse repurchase agreements and other derivatives and securities lending creates leverage. Leverage increases the Fund's losses when the value of its investments (including derivatives) declines.

GMO EMERGING COUNTRY DEBT FUND

Performance

The bar chart and table below provide some indication of the risks of investing in the Fund by showing changes in the Fund's annual total returns from year to year for the periods indicated and by comparing the Fund's average annual total returns for different calendar periods with those of the Fund's benchmark (which is a broad-based index) and a composite index computed by GMO. Purchase premiums and redemption fees are not reflected in the bar chart, but are reflected in the table; as a result, the returns in the table are lower than the returns in the bar chart. Returns in the table reflect current purchase premiums and redemption fees. After-tax returns are calculated using the historical highest individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Actual after-tax returns depend on your tax situation and may differ from those shown. After-tax returns shown are not relevant if you are tax-exempt or if you hold your Fund shares through tax-deferred arrangements (such as a 401(k) plan or individual retirement account). After-tax returns are shown for Class III shares only; after-tax returns for other classes will vary. Updated performance information for the Fund is available at www.gmo.com. Past performance (before and after taxes) is not an indication of future performance.

Annual Total Returns/Class III Shares
Years Ending December 31



Highest Quarter: 20.29% (3Q2009)
Lowest Quarter: -23.39% (4Q2008)
Year-to-Date (as of 3/31/15): 1.71%

Average Annual Total Returns
Periods Ending December 31, 2014

	1 Year	5 Years	10 Years	Incept.
Class III				4/19/94
Return Before Taxes	4.92%	12.16%	9.95%	15.46%
Return After Taxes on Distributions	1.05%	8.41%	6.06%	9.89%
Return After Taxes on Distributions and Sale of Fund Shares	2.81%	8.00%	6.27%	9.95%
J.P. Morgan EMBI Global (Fund benchmark) (reflects no deduction for fees, expenses, or taxes)	5.53%	7.27%	7.68%	10.90%
J.P. Morgan EMBI Global + (Composite index)	5.53%	7.27%	7.68%	10.82%
Class IV				1/9/98
Return Before Taxes	5.07%	12.23%	10.01%	11.97%
J.P. Morgan EMBI Global (Fund benchmark) (reflects no deduction for fees, expenses, or taxes)	5.53%	7.27%	7.68%	9.03%
J.P. Morgan EMBI Global + (Composite index)	5.53%	7.27%	7.68%	8.94%

Management of the Fund

Investment Adviser: Grantham, Mayo, Van Otterloo & Co. LLC

Investment Team and Senior Member of GMO primarily responsible for portfolio management of the Fund:

Investment Team	Senior Member (Length of Service with Fund)	Title
Emerging Country Debt	Thomas Cooper (since the Fund's inception)	Head, Emerging Country Debt Team, GMO.

Additional information

For important information about purchase and sale of Fund shares, taxes, and financial intermediary compensation, please see "Additional Summary Information About the Funds" on page 144 of this Prospectus.

Investment objective

Positive total return.

Fees and expenses

The tables below describe the fees and expenses that you may bear for each class of shares if you buy and hold shares of the Fund.

Shareholder fees

(fees paid directly from your investment)

	Class III	Class VI
Purchase premium (as a percentage of amount invested)	0.40%	0.40%
Redemption fee (as a percentage of amount redeemed)	0.40%	0.40%

Annual Fund operating expenses

(expenses that you bear each year as a percentage of the value of your investment)

	Class III	Class VI
Management fee	0.25% ¹	0.25% ¹
Shareholder service fee	0.15% ¹	0.055% ¹
Other expenses	0.03%	0.03%
Total annual operating expenses	0.43%	0.34%
Expense reimbursement/waiver	(0.03%) ¹	(0.03%) ¹
Total annual operating expenses after expense reimbursement/waiver	0.40%	0.31%

¹ *Grantham, Mayo, Van Otterloo & Co. LLC ("GMO") has contractually agreed to reimburse the Fund for the following expenses: audit expenses, fund accounting expenses, pricing service expenses, expenses of non-investment related tax services, transfer agency expenses, expenses of non-investment related legal services provided to the Fund by or at the direction of GMO, federal securities law filing expenses, printing expenses, state and federal registration fees, and custody expenses. GMO also has contractually agreed to waive or reduce the Fund's management fees and shareholder service fees to the extent necessary to offset the management fees and shareholder service fees paid to GMO that are directly or indirectly borne by the Fund or a class of shares of the Fund as a result of the Fund's direct or indirect investments in other series of GMO Trust ("GMO Funds"). Management fees and shareholder service fees will not be waived below zero. This reimbursement and waiver will continue through at least June 30, 2016, and may not be terminated prior to this date without the action or consent of the Fund's Board of Trustees.*

Example

This example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. The example assumes that you invest \$10,000 in the Fund for the time periods indicated. The example also assumes that your investment has a 5% return each year and that the Fund's operating expenses remain the same as those shown in the table. The one year amounts shown reflect the expense reimbursement and waiver noted in the expense table. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

	If you sell your shares				If you do not sell your shares			
	1 Year	3 Years	5 Years	10 Years	1 Year	3 Years	5 Years	10 Years
Class III	\$122	\$222	\$331	\$651	\$81	\$177	\$282	\$588
Class VI	\$113	\$192	\$277	\$529	\$72	\$146	\$227	\$466

Portfolio turnover

The Fund pays transaction costs, such as commissions, when it buys and sells securities. A higher portfolio turnover rate may result in higher transaction costs and, when Fund shares are held in a taxable account, higher taxes. These costs, which are not reflected in Annual Fund operating expenses or in the Example, affect the Fund's performance. During its fiscal year ended February 28, 2015, the Fund's portfolio turnover rate (excluding short-term investments) was 37% of the average value of its portfolio.

Principal investment strategies

The Fund invests primarily in debt investments (including both direct and indirect investments) and is not restricted in its exposure to any type of debt investment. The Fund may invest in securities of any credit quality and has no limit on how much it may invest in below investment grade securities (commonly referred to as "junk bonds"). The Fund's debt investments may include all types of interest rate, payment, and reset terms, including fixed rate, adjustable rate, zero coupon, contingent, deferred, payment-in-kind, and auction rate features.

The Fund may invest in debt investments issued by a wide range of U.S. and non-U.S. private issuers and by federal, state, local, and non-U.S. governments (whether or not guaranteed or insured by those governments). The Fund may invest in asset-backed securities (including, but not limited to, securities backed by pools of residential and commercial mortgages (including sub-prime mortgages), credit-card receivables, home equity loans, automobile loans, educational loans, corporate and sovereign bonds, and bank loans made to corporations), corporate debt securities, money market instruments, and commercial paper. As of the date of this Prospectus, the Fund has invested a substantial portion of its assets in asset-backed securities, many of which are below investment grade.

In selecting debt investments for the Fund's portfolio, GMO uses analytical techniques to evaluate the relative attractiveness of particular sectors and securities. The factors considered and investment methods used by GMO can change over time.

The Fund does not maintain a specified interest rate duration for its portfolio.

Under normal circumstances, the Fund invests directly and indirectly (e.g., through other GMO Funds or derivatives) at least 80% of its assets in debt investments (see "Name Policies").

From time to time, the Fund may have some direct or indirect exposure to equities.

The Fund also may invest in exchange-traded and over-the-counter (OTC) derivatives, including swap contracts (such as credit default swaps, swaps on securities and securities indices, total return swaps, interest rate swaps, currency swaps, variance swaps, commodity swaps, inflation swaps, municipal swaps, correlation swaps, and other types of swaps), reverse repurchase agreements, and repurchase agreements. The Fund is not limited in its use of derivatives or in the total notional value of its derivative positions. As a result of its derivative positions, the Fund may have gross investment exposures in excess of its net assets (i.e., the Fund may be leveraged) and therefore is subject to heightened risk of loss. The Fund's performance can depend substantially, if not primarily, on the performance of assets or indices underlying its derivatives even though it does not own those assets or indices.

The Fund also may invest in U.S. Treasury Fund and in money market funds unaffiliated with GMO.

The Fund may, but is not required to, hedge part or all of its net foreign currency exposure into U.S. dollars.

Principal risks of investing in the Fund

The value of the Fund's shares changes with the value of the Fund's investments. Many factors can affect this value, and you may lose money by investing in the Fund. An investment in the Fund is subject to different risks, and greater overall risk, than an investment in the underlying components of the Fund's benchmark. The Fund is a *non-diversified investment company* under the Investment Company Act of 1940, as amended, and therefore a decline in the market price of a particular security held by the Fund may affect the Fund's performance more than if the Fund were a diversified investment company. The principal risks of investing in the Fund are summarized below. For a more complete discussion of these risks, see "Description of Principal Risks."

- **Credit Risk** – The Fund runs the risk that the issuer or guarantor of a fixed income investment or the obligor of an obligation underlying an asset-backed security will be unable or unwilling to satisfy its obligation to pay principal and interest or otherwise to honor its obligations in a timely manner. The market price of a fixed income investment will normally decline as a result of the issuer's, guarantor's, or obligor's failure to meet its payment obligations. Below investment grade securities have speculative characteristics, and changes in economic conditions or other circumstances are more likely to impair the ability of issuers of those securities to make principal and interest payments than is the case with issuers of investment grade securities.
- **Market Risk – Asset-Backed Securities** – The market price of fixed income investments with complex structures, such as asset-backed securities, can decline due to a variety of factors, including market uncertainty about their credit quality and the reliability of their payment streams. Payment streams associated with asset-backed securities held by the Fund depend on many factors (e.g., the cash flow generated by the assets backing the securities, the deal structure, the credit worthiness of any credit-support provider, and the reliability of various other service providers with access to the payment stream), and a problem in any one of these factors can lead to a reduction in the payment stream GMO expected the Fund to receive at the time the Fund purchased the asset-backed security.
- **Illiquidity Risk** – Low trading volume, lack of a market maker, large position size or legal restrictions may limit or prevent the Fund from selling particular securities or closing derivative positions at desirable prices.
- **Focused Investment Risk** – Investments focused in a limited number of countries, regions, sectors, industries, or issuers that are subject to the same or similar risk factors and investments whose prices are strongly correlated are subject to greater overall risk than investments that are more diversified.
- **Management and Operational Risk** – The Fund runs the risk that GMO's investment techniques will fail to produce desired results. GMO often uses quantitative analyses and models as part of its investment process. All models support portfolio decisions but are not necessarily predictive of future market events. These analyses and models also make simplifying assumptions that may limit their effectiveness. In addition, there are limitations (e.g., inaccuracies, staleness) on the data available for analysis or manipulation by the models. Any of those assumptions and/or limitations could adversely affect the Fund's performance. The Fund also runs the risk that GMO's assessment of an investment may be wrong or that deficiencies in GMO's or another service provider's internal systems or controls will cause losses for the Fund or impair Fund operations.
- **Market Risk – Fixed Income Investments** – The market price of a fixed income investment can decline due to market-related factors, including rising interest rates and widening credit spreads, or decreased liquidity stemming from the market's uncertainty about the value of a fixed income investment (or class of fixed income investments).

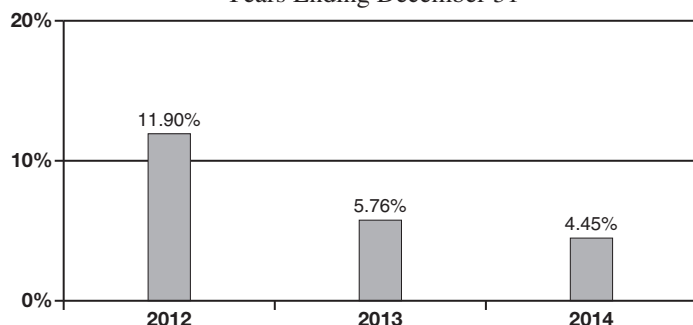
- *Derivatives and Short Sales Risk* – The use of derivatives involves the risk that their value may not change as expected relative to changes in the value of the underlying assets, rates or indices. Derivatives also present other risks, including market risk, illiquidity risk, currency risk, credit risk, and counterparty risk. In addition, the risks of loss associated with derivatives that provide short investment exposure and short sales of securities are theoretically unlimited.
- *Leveraging Risk* – The use of reverse repurchase agreements and other derivatives creates leverage. Leverage increases the Fund's losses when the value of its investments (including derivatives) declines.
- *Counterparty Risk* – The Fund runs the risk that the counterparty to a derivatives contract, a clearing member used by the Fund to hold a cleared derivatives contract, or a borrower of the Fund's securities will be unable or unwilling to make timely settlement payments, return the Fund's margin, or otherwise honor its obligations.
- *Fund of Funds Risk* – The Fund is indirectly exposed to all of the risks of an investment in the underlying funds in which it invests, including the risk that those underlying funds will not perform as expected.
- *Market Disruption and Geopolitical Risk* – Geopolitical and other events may disrupt securities markets and adversely affect global economies and markets. Those events, as well as other changes in non-U.S. and U.S. economic and political conditions, could adversely affect the value of the Fund's investments.
- *Market Risk – Equities* – The market prices of equities may decline due to factors affecting the issuing companies, their industries, or the economy and equity markets generally. If the Fund purchases equities for less than their value as determined by GMO, the Fund runs the risk that the market prices of these equities will not appreciate or will decline for a variety of reasons, one of which may be GMO's incorrect assessment of their intrinsic value. The Fund also may purchase equities that typically trade at higher multiples of current earnings than other securities, and the market prices of these equities often are more sensitive to changes in future earnings expectations than the market prices of equities trading at lower multiples. Declines in stock market prices generally are likely to reduce the net asset value of the Fund's shares.
- *Smaller Company Risk* – Smaller companies may have limited product lines, markets, or financial resources, may lack the competitive strength of larger companies, may have inexperienced managers or may depend on a few key employees. The securities of companies with smaller market capitalizations often are less widely held and trade less frequently and in lesser quantities, and their market prices often fluctuate more, than the securities of companies with larger market capitalizations.
- *Large Shareholder Risk* – To the extent that a large number of shares of the Fund is held by a single shareholder (e.g., an institutional investor or another GMO Fund) or a group of shareholders with a common investment strategy (e.g., GMO asset allocation accounts), the Fund is subject to the risk that a redemption by those shareholders of all or a large portion of their Fund shares will cause the Fund to sell securities at disadvantageous prices or otherwise will disrupt the Fund's operations.
- *Non-U.S. Investment Risk* – The market prices of many non-U.S. securities fluctuate more than those of U.S. securities. Many non-U.S. securities markets are less stable, smaller, less liquid and less regulated than U.S. securities markets, and the cost of trading in those markets often is higher than in U.S. securities markets. Non-U.S. portfolio transactions generally involve higher commission rates, transfer taxes, and custodial costs than similar transactions in the United States. In addition, the Fund may be subject to non-U.S. taxes, including potentially on a retroactive basis, on (i) capital gains it realizes or dividends, interest, or other amounts it realizes or accrues in respect of non-U.S. investments, (ii) transactions in those investments, and (iii) repatriation of proceeds generated from the sale or other disposition of those investments. Also, the Fund needs a license to invest directly in many non-U.S. securities markets, and the Fund is subject to the risk that it could not invest if its license were terminated or suspended. In some non-U.S. securities markets, prevailing custody and trade settlement practices (e.g., the requirement to pay for securities prior to receipt) expose the Fund to credit and other risks. Further, adverse changes in investment regulations, capital requirements or exchange controls could adversely affect the value of the Fund's investments. These and other risks (e.g., nationalization, expropriation or other confiscation of assets of non-U.S. issuers) tend to be greater for investments in companies tied economically to emerging countries, the economies of which may be predominantly based on only a few industries or dependent on revenues from particular commodities and which often are more volatile than the economies of developed countries.
- *Currency Risk* – Fluctuations in exchange rates can adversely affect the market value of the Fund's foreign currency holdings and investments denominated in foreign currencies.

GMO DEBT OPPORTUNITIES FUND

Performance

The bar chart and table below provide some indication of the risks of investing in the Fund by showing changes in the Fund's annual total returns from year to year for the periods indicated and by comparing the Fund's average annual total returns for different calendar periods with those of a broad-based index. Purchase premiums and redemption fees are not reflected in the bar chart, but are reflected in the table; as a result, the returns in the table are lower than the returns in the bar chart. Returns in the table reflect current purchase premiums and redemption fees. After-tax returns are calculated using the historical highest individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Actual after-tax returns depend on your tax situation and may differ from those shown. After-tax returns shown are not relevant if you are tax-exempt or if you hold your Fund shares through tax-deferred arrangements (such as a 401(k) plan or individual retirement account). Updated performance information for the Fund is available at www.gmo.com. Past performance (before and after taxes) is not an indication of future performance.

Annual Total Returns/Class VI Shares*
Years Ending December 31



Highest Quarter: 4.69% (3Q2012)
Lowest Quarter: 0.11% (2Q2013)
Year-to-Date (as of 3/31/15): 0.65%

Average Annual Total Returns*
Periods Ending December 31, 2014

	1 Year	5 Years	10 Years	Incept.
Class VI				10/3/11
Return Before Taxes	3.62%	N/A	N/A	6.43%
Return After Taxes on Distributions	2.79%	N/A	N/A	5.04%
Return After Taxes on Distributions and Sale of Fund Shares	2.08%	N/A	N/A	4.58%
J.P. Morgan U.S. 3 Month Cash Index (reflects no deduction for fees, expenses, or taxes)	0.35%	N/A	N/A	0.53%

* The Fund is the accounting and performance successor to GMO Debt Opportunities Fund, a former series of GMO Trust offered pursuant to a private placement memorandum (the "Predecessor Fund") that had an investment objective and investment policies and restrictions substantially identical to those of the Fund. Effective February 12, 2014, the Predecessor Fund merged into the Fund (which was formerly known as GMO Short-Duration Collateral Fund), and the surviving entity was renamed "GMO Debt Opportunities Fund." Performance of the Fund through February 11, 2014 is that of the Predecessor Fund and reflects the Predecessor Fund's annual operating expenses (0.01% lower than those of the Fund). For information regarding GMO Short-Duration Collateral Fund's performance history, please see page 221 of this Prospectus.

Management of the Fund

Investment Adviser: Grantham, Mayo, Van Otterloo & Co. LLC

Investment Team and Senior Members of GMO primarily responsible for portfolio management of the Fund:

Investment Team	Senior Member (Length of Service with Fund)	Title
Developed Fixed Income	Ben Inker (since November 2014)	Co-Head, Asset Allocation Team and Co-Head, Developed Fixed Income Team, GMO.
Developed Fixed Income	Sam Wilderman (since November 2014)	Co-Head, Asset Allocation Team and Co-Head, Developed Fixed Income Team, GMO.
Developed Fixed Income	Joe Auth (since February 2015)	Portfolio Manager, Developed Fixed Income Team, GMO.

Additional information

For important information about purchase and sale of Fund shares, taxes, and financial intermediary compensation, please see "Additional Summary Information About the Funds" on page 144 of this Prospectus.

Investment objective

Total return greater than that of its benchmark, the Citigroup 3-Month Treasury Bill Index.

Fees and expenses

The table below describes the fees and expenses that you may bear for each class of shares if you buy and hold shares of the Fund.

Annual Fund operating expenses

(expenses that you bear each year as a percentage of the value of your investment)

	Class III	Class IV
Management fee	0.50% ¹	0.50% ¹
Shareholder service fee	0.15% ¹	0.10% ¹
Other expenses	0.04%	0.04%
Total annual operating expenses	0.69%	0.64%
Expense reimbursement/waiver	(0.04%) ¹	(0.04%) ¹
Total annual operating expenses after expense reimbursement/waiver	0.65%	0.60%

¹ Grantham, Mayo, Van Otterloo & Co. LLC ("GMO") has contractually agreed to reimburse the Fund for the following expenses: audit expenses, fund accounting expenses, pricing service expenses, expenses of non-investment related tax services, transfer agency expenses, expenses of non-investment related legal services provided to the Fund by or at the direction of GMO, federal securities law filing expenses, printing expenses, state and federal registration fees and custody expenses. GMO also has contractually agreed to waive or reduce the Fund's management fees and shareholder service fees to the extent necessary to offset the management fees and shareholder service fees paid to GMO that are directly or indirectly borne by the Fund or a class of shares of the Fund as a result of the Fund's direct or indirect investments in other series of GMO Trust ("GMO Funds"). Management fees and shareholder service fees will not be waived below zero. This reimbursement and waiver will continue through at least June 30, 2016, and may not be terminated prior to this date without the action or consent of the Fund's Board of Trustees.

Example

This example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. The example assumes that you invest \$10,000 in the Fund for the time periods indicated, regardless of whether or not you redeem your shares at the end of such periods. The example also assumes that your investment has a 5% return each year and that the Fund's operating expenses remain the same as those shown in the table. The one year amounts shown reflect the expense reimbursement and waiver noted in the expense table. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

	<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>	<u>10 Years</u>
Class III	\$66	\$217	\$380	\$855
Class IV	\$61	\$201	\$353	\$795

Portfolio turnover

The Fund pays transaction costs, such as commissions, when it buys and sells securities. A higher portfolio turnover rate may result in higher transaction costs and, when Fund shares are held in a taxable account, higher taxes. These costs, which are not reflected in Annual Fund operating expenses or in the Example, affect the Fund's performance. During its fiscal year ended February 28, 2015, the Fund's portfolio turnover rate (excluding short-term investments) was 123% of the average value of its portfolio.

Principal investment strategies

GMO pursues investment strategies for the Fund that are intended to complement the strategies it is pursuing in other funds or accounts managed by GMO. Accordingly, the Fund is not a standalone investment.

The Fund's investment program involves having both long and short investment exposures. GMO seeks to construct a portfolio in which the Fund has long investment exposure to asset classes and sub-asset classes that GMO expects will outperform relative to the asset classes and sub-asset classes to which the Fund has short investment exposure.

To gain long investment exposure, the Fund invests directly in securities and may invest in other GMO Funds (collectively, the "underlying Funds"). To gain short investment exposure, the Fund may invest in over-the-counter (OTC) and exchange-traded derivatives (including futures, swaps and currency forwards) and sell securities short, including short sales of securities the Fund does not own. The Fund is not limited in its use of derivatives or in the total notional value of its derivative positions. As a result of its derivative positions, the Fund typically has gross investment exposures in excess of its net assets (i.e., the Fund typically is leveraged) and therefore is subject to heightened risk of loss. The Fund's performance can depend substantially, if not primarily, on the performance of assets or indices underlying its derivatives even though it does not own those assets or indices.

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 Fund's long and short positions. An important component of those forecasts is the expectation that valuations ultimately revert to their historical mean (average). GMO changes the Fund's holdings in response to changes in GMO's investment outlook and market valuations and may use redemptions or purchases of Fund shares to rebalance the Fund's investments. To the extent

that the Fund's long and short positions are effective, the performance of the Fund is expected to have a low correlation to the performance of U.S. and non-U.S. equity markets. The factors considered and investment methods used by GMO can change over time.

The Fund also may invest in U.S. Treasury Fund and in money market funds unaffiliated with GMO.

Principal risks of investing in the Fund

The value of the Fund's shares changes with the value of the Fund's investments. Many factors can affect this value, and you may lose money by investing in the Fund. An investment in the Fund is subject to different risks, and greater overall risk, than an investment in the underlying components of the Fund's benchmark. References to investments include those held directly by the Fund and indirectly through the Fund's investments in the underlying Funds. The Fund and some of the underlying Funds are *non-diversified investment companies* under the Investment Company Act of 1940, as amended, and therefore a decline in the market price of a particular security held by the Fund or those underlying Funds may affect the Fund's or an underlying Fund's performance more than if the Fund or the underlying Fund were a diversified investment company. The principal risks of investing in the Fund are summarized below. For a more complete discussion of these risks, including those risks to which the Fund is exposed as a result of its investments in the underlying Funds, see "Description of Principal Risks."

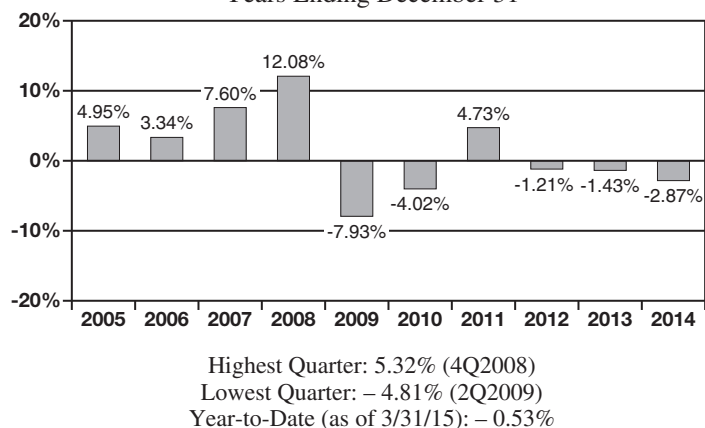
- *Derivatives and Short Sales Risk* – The use of derivatives involves the risk that their value may not change as expected relative to changes in the value of the underlying assets, rates, or indices. Derivatives also present other risks, including market risk, illiquidity risk, currency risk, credit risk, and counterparty risk. In addition, the risks of loss associated with derivatives that provide short investment exposure and short sales of securities are theoretically unlimited.
- *Management and Operational Risk* – The Fund runs the risk that GMO's investment techniques will fail to produce desired results. GMO often uses quantitative analyses and models as part of its investment process. All models support portfolio decisions but are not necessarily predictive of future market events. These analyses and models also make simplifying assumptions that may limit their effectiveness. In addition, there are limitations (e.g., inaccuracies, staleness) on the data available for analysis or manipulation by the models. Any of those assumptions and/or limitations could adversely affect the Fund's performance. The Fund also runs the risk that GMO's assessment of an investment may be wrong or that deficiencies in GMO's or another service provider's internal systems or controls will cause losses for the Fund or impair Fund operations.
- *Non-U.S. Investment Risk* – The market prices of many non-U.S. securities fluctuate more than those of U.S. securities. Many non-U.S. securities markets are less stable, smaller, less liquid, and less regulated than U.S. securities markets, and the cost of trading in those markets often is higher than in U.S. securities markets. Non-U.S. portfolio transactions generally involve higher commission rates, transfer taxes, and custodial costs than similar transactions in the United States. In addition, the Fund may be subject to non-U.S. taxes, including potentially on a retroactive basis, on (i) capital gains it realizes or dividends, interest, or other amounts it realizes or accrues in respect of non-U.S. investments, (ii) transactions in those investments, and (iii) repatriation of proceeds generated from the sale or other disposition of those investments. Also, the Fund needs a license to invest directly in many non-U.S. securities markets, and the Fund is subject to the risk that it could not invest if its license were terminated or suspended. In some non-U.S. securities markets, prevailing custody and trade settlement practices (e.g., the requirement to pay for securities prior to receipt) expose the Fund to credit and other risks. Further, adverse changes in investment regulations, capital requirements or exchange controls could adversely affect the value of the Fund's investments. These and other risks (e.g., nationalization, expropriation or other confiscation of assets of non-U.S. issuers) tend to be greater for investments in companies tied economically to emerging countries, the economies of which may be predominantly based on only a few industries or dependent on revenues from particular commodities and which often are more volatile than the economies of developed countries.
- *Market Risk – Equities* – The market prices of equities may decline due to factors affecting the issuing companies, their industries, or the economy and equity markets generally. If the Fund or an underlying Fund purchases equities for less than their value as determined by GMO, the Fund runs the risk that the market prices of these equities will not appreciate or will decline for a variety of reasons, one of which may be GMO's incorrect assessment of their intrinsic value. The Fund or an underlying Fund also may purchase equities that typically trade at higher multiples of current earnings than other securities, and the market prices of these equities often are more sensitive to changes in future earnings expectations than the market prices of equities trading at lower multiples. In addition, the value of the Fund's shares will be adversely affected if the equities that are the subject of the Fund's short positions appreciate in value.
- *Illiquidity Risk* – Low trading volume, lack of a market maker, large position size, or legal restrictions may limit or prevent the Fund or an underlying Fund from selling particular securities or closing derivative positions at desirable prices.
- *Leveraging Risk* – The use of reverse repurchase agreements and other derivatives creates leverage. The Fund and some underlying Funds are not limited in their use of derivatives or in the total notional value of their derivative positions. Leverage increases the Fund's losses when the value of its investments (including derivatives) declines.
- *Currency Risk* – Fluctuations in exchange rates can adversely affect the market value of the Fund's foreign currency holdings and investments denominated in foreign currencies.

- *Counterparty Risk* – The Fund runs the risk that the counterparty to a derivatives contract, a clearing member used by the Fund to hold a cleared derivatives contract, or a borrower of the Fund’s securities will be unable or unwilling to make timely settlement payments, return the Fund’s margin or otherwise honor its obligations.
- *Credit Risk* – The Fund runs the risk that the issuer or guarantor of a fixed income investment or the obligor of an obligation underlying an asset-backed security will be unable or unwilling to satisfy its obligation to pay principal and interest or otherwise to honor its obligations in a timely manner. The market price of a fixed income investment will normally decline as a result of the issuer’s, guarantor’s, or obligor’s failure to meet its payment obligations. Below investment grade securities have speculative characteristics, and changes in economic conditions or other circumstances are more likely to impair the ability of issuers of those securities to make principal and interest payments than is the case with issuers of investment grade securities.
- *Smaller Company Risk* – Smaller companies may have limited product lines, markets, or financial resources, may lack the competitive strength of larger companies, may have inexperienced managers or may depend on a few key employees. The securities of companies with smaller market capitalizations often are less widely held and trade less frequently and in lesser quantities, and their market prices often fluctuate more, than the securities of companies with larger market capitalizations.
- *Market Disruption and Geopolitical Risk* – Geopolitical and other events may disrupt securities markets and adversely affect global economies and markets. Those events, as well as other changes in non-U.S. and U.S. economic and political conditions, could adversely affect the value of the Fund’s investments.
- *Focused Investment Risk* – Investments focused in countries, regions, sectors, industries, or issuers that are subject to the same or similar risk factors and investments whose prices are strongly correlated are subject to greater overall risk than investments that are more diversified.
- *Fund of Funds Risk* – The Fund is indirectly exposed to all of the risks of an investment in the underlying Funds in which it invests, including the risk that those underlying Funds will not perform as expected or that the Fund will invest in underlying Funds with higher fees or expenses.
- *Large Shareholder Risk* – To the extent that a large number of shares of the Fund is held by a single shareholder (e.g., an institutional investor or another GMO Fund) or a group of shareholders with a common investment strategy (e.g., GMO asset allocation accounts), the Fund is subject to the risk that a redemption by those shareholders of all or a large portion of their Fund shares will cause the Fund to sell securities at disadvantageous prices or otherwise will disrupt the Fund’s operations.
- *Market Risk – Fixed Income Investments* – The market price of a fixed income investment can decline due to market-related factors, including rising interest rates and widening credit spreads, or decreased liquidity stemming from the market’s uncertainty about the value of a fixed income investment (or class of fixed income investments).

Performance

The bar chart and table below provide some indication of the risks of investing in the Fund by showing changes in the Fund's annual total returns from year to year for the periods indicated and by comparing the Fund's average annual total returns for different calendar periods with those of a broad-based index. After-tax returns are calculated using the historical highest individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Actual after-tax returns depend on your tax situation and may differ from those shown. After-tax returns shown are not relevant if you are tax-exempt or if you hold your Fund shares through tax-deferred arrangements (such as a 401(k) plan or individual retirement account). After-tax returns are shown for Class III shares only; after-tax returns for other classes will vary. Updated performance information for the Fund is available at www.gmo.com. Past performance (before and after taxes) is not an indication of future performance.

Annual Total Returns/Class III Shares
Years Ending December 31



Average Annual Total Returns
Periods Ending December 31, 2014

	1 Year	5 Years	10 Years	Incept.
Class III				7/29/94
Return Before Taxes	- 2.87%	- 1.01%	1.36%	3.30%
Return After Taxes on Distributions	- 3.29%	- 1.10%	- 0.95%	1.25%
Return After Taxes on Distributions and Sale of Fund Shares	- 1.27%	- 0.64%	0.89%	2.11%
Citigroup 3-Month Treasury Bill Index (reflects no deduction for fees, expenses, or taxes)	0.03%	0.07%	1.46%	2.77%
Class IV				3/2/06
Return Before Taxes	- 2.82%	- 0.96%	N/A	0.89%
Citigroup 3-Month Treasury Bill Index (reflects no deduction for fees, expenses, or taxes)	0.03%	0.07%	N/A	1.24%

Management of the Fund

Investment Adviser: Grantham, Mayo, Van Otterloo & Co. LLC

Investment Team and Senior Members of GMO primarily responsible for portfolio management of the Fund:

Investment Team	Senior Member (Length of Service with Fund)	Title
Asset Allocation	Ben Inker (since 1996)	Co-Head, Asset Allocation Team and Co-Head, Developed Fixed Income Team, GMO.
Asset Allocation	Sam Wilderman (since 2012)	Co-Head, Asset Allocation Team and Co-Head, Developed Fixed Income Team, GMO.

Additional information

For important information about purchase and sale of Fund shares, taxes, and financial intermediary compensation, please see "Additional Summary Information About the Funds" on page 144 of this Prospectus.

Investment objective

Total return in excess of that of its benchmark, the Citigroup 3-Month Treasury Bill Index.

Fees and expenses

The table below describes the fees and expenses that you may bear for each class of shares if you buy and hold shares of the Fund.

Annual Fund operating expenses

(expenses that you bear each year as a percentage of the value of your investment)

	Class III	Class VI
Management fee	0.25% ¹	0.25% ¹
Shareholder service fee	0.15% ¹	0.055% ¹
Other expenses	0.03% ²	0.03% ²
Total annual operating expenses	0.43%	0.34%
Expense reimbursement/waiver	(0.02%) ¹	(0.02%) ¹
Total annual operating expenses after expense reimbursement/waiver	0.41%	0.32%

¹ Grantham, Mayo, Van Otterloo & Co. LLC ("GMO") has contractually agreed to reimburse the Fund for the following expenses: audit expenses, fund accounting expenses, pricing service expenses, expenses of non-investment related tax services, transfer agency expenses, expenses of non-investment related legal services provided to the Fund by or at the direction of GMO, federal securities law filing expenses, printing expenses, state and federal registration fees and custody expenses. GMO also has contractually agreed to waive or reduce the Fund's management fees and shareholder service fees to the extent necessary to offset the management fees and shareholder service fees paid to GMO that are directly or indirectly borne by the Fund or a class of shares of the Fund as a result of the Fund's direct or indirect investments in other series of GMO Trust ("GMO Funds"). Management fees and shareholder service fees will not be waived below zero. This reimbursement and waiver will continue through at least June 30, 2016, and may not be terminated prior to this date without the action or consent of the Fund's Board of Trustees.

² The amount includes interest expense incurred by the Fund as a result of entering into reverse repurchase agreements and/or margin on cleared swap contracts, if any. "Other expenses" (before addition of interest expense) and interest expense were approximately 0.02% and 0.01%, respectively.

Example

This example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. The example assumes that you invest \$10,000 in the Fund for the time periods indicated, regardless of whether or not you redeem your shares at the end of such periods. The example also assumes that your investment has a 5% return each year and that the Fund's operating expenses remain the same as those shown in the table. The one year amounts shown reflect the expense reimbursement and waiver noted in the expense table. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

	1 Year	3 Years	5 Years	10 Years
Class III	\$42	\$138	\$243	\$552
Class VI	\$33	\$107	\$189	\$429

Portfolio turnover

The Fund pays transaction costs, such as commissions, when it buys and sells securities. A higher portfolio turnover rate may result in higher transaction costs and, when Fund shares are held in a taxable account, higher taxes. These costs, which are not reflected in Annual Fund operating expenses or in the Example, affect the Fund's performance. During its fiscal year ended February 28, 2015, the Fund's portfolio turnover rate (excluding short-term investments) was 177% of the average value of its portfolio.

Principal investment strategies

GMO pursues investment strategies for the Fund that are intended to complement the strategies it is pursuing in other funds or accounts managed by GMO. Accordingly, the Fund is not a standalone investment.

The Fund invests in a portfolio of fixed income instruments of varying maturities, which may be represented by bonds, forwards or derivatives such as options, futures contracts, or swap agreements. GMO uses a variety of fundamental and quantitative processes to manage the Fund. GMO evaluates the relative attractiveness of particular markets and instruments using various fixed income risk premium measures, which typically include exposure to term structure, foreign exchange, volatility, credit, liquidity and other risks.

Under normal circumstances, the Fund invests directly and indirectly (e.g., through other GMO Funds or derivatives) at least 80% of its assets in bonds (see "Name Policies"). The term "bond" includes (i) obligations of an issuer to make payments on future dates of principal, interest (whether fixed or variable) or both and (ii) synthetic debt instruments created by GMO by using derivatives (e.g., a futures contract, swap contract, currency forward, or option). The Fund is permitted to invest in bonds of any kind (e.g., bonds of any maturity, duration, or credit quality).

The Fund may invest in any sector of the bond market and is not required to maintain a minimum or maximum allocation of investments in any one sector. The sectors and types of bonds in which the Fund may invest include, but are not limited to:

- investment grade bonds denominated in various currencies, including bonds issued by the U.S. and non-U.S. governments and their respective agencies or instrumentalities (whether or not guaranteed or insured by those governments), corporations and municipalities (taxable and tax-exempt);
- below investment grade bonds (commonly referred to as “junk bonds”);
- inflation-indexed bonds issued by the U.S. government (including Inflation-Protected Securities issued by the U.S. Treasury (TIPS)) and non-U.S. governments and their respective agencies or instrumentalities (whether or not guaranteed or insured by those governments) and inflation-indexed bonds issued by corporations;
- bonds issued in emerging countries (including sovereign debt and below investment grade bonds);
- asset-backed securities, including mortgage related and mortgage-backed securities;
- pooled investment vehicles, including both vehicles managed by GMO and vehicles unaffiliated with GMO; and
- commodities.

From time to time, the Fund may have some direct or indirect exposure to equities.

The Fund also may invest in exchange-traded and over-the-counter (OTC) derivatives, including futures contracts, currency options, currency forwards, reverse repurchase agreements, swap contracts (such as credit default swaps, swaps on securities and securities indices, total return swaps, interest rate swaps, currency swaps, variance swaps, commodity swaps, inflation swaps, municipal swaps, correlation swaps, and other types of swaps), interest rate options, and other types of derivatives. The Fund is not limited in its use of derivatives or in the total notional value of its derivative positions. As a result of its derivative positions, the Fund typically has gross investment exposures in excess of its net assets (i.e., the Fund typically is leveraged) and therefore is subject to heightened risk of loss. The Fund’s performance can depend substantially, if not primarily, on the performance of assets or indices underlying its derivatives even though it does not own those assets or indices.

The Fund may gain exposure to the investments described above by investing in shares of other GMO Funds, including Debt Opportunities Fund (to provide exposure to global credit (particularly, asset-backed) markets), Emerging Country Debt Fund (to provide exposure to emerging country debt securities), GMO High Quality Short-Duration Bond Fund (“High Quality Fund”) (to seek a return in excess of that of the J.P. Morgan U.S. 3 Month Cash Index by investing in a wide variety of high quality U.S. and non-U.S. debt investments), and GMO World Opportunity Overlay Fund (“Overlay Fund”) (to gain exposure to global interest rate, currency, and credit markets). Each of High Quality Fund and Overlay Fund is a GMO Fund not offered by this Prospectus. The Fund also may invest in U.S. Treasury Fund and in money market funds unaffiliated with GMO.

The Fund may invest up to 100% of its assets in below investment grade bonds.

GMO does not seek to maintain a specified interest rate duration for the Fund, and the Fund’s interest rate duration will change depending on the Fund’s investments and GMO’s assessment of different sectors of the bond market. The Fund’s interest rate duration may be positive or negative. The Fund’s performance may differ significantly from that of its benchmark.

Principal risks of investing in the Fund

The value of the Fund’s shares changes with the value of the Fund’s investments. Many factors can affect this value, and you may lose money by investing in the Fund. An investment in the Fund is subject to different risks, and greater overall risk, than an investment in the underlying components of the Fund’s benchmark. The Fund is a *non-diversified investment company* under the Investment Company Act of 1940, as amended, and therefore a decline in the market price of a particular security held by the Fund may affect the Fund’s performance more than if the Fund were a diversified investment company. The principal risks of investing in the Fund are summarized below. For a more complete discussion of these risks, see “Description of Principal Risks.”

- **Market Risk – Fixed Income Investments** – The market price of a fixed income investment can decline due to market-related factors, including rising interest rates and widening credit spreads, or decreased liquidity stemming from the market’s uncertainty about the value of a fixed income investment (or class of fixed income investments).
- **Management and Operational Risk** – The Fund runs the risk that GMO’s investment techniques will fail to produce desired results. GMO often uses quantitative analyses and models as part of its investment process. All models support portfolio decisions but are not necessarily predictive of future market events. These analyses and models also make simplifying assumptions that may limit their effectiveness. In addition, there are limitations (e.g., inaccuracies, staleness) on the data available for analysis or manipulation by the models. Any of those assumptions and/or limitations could adversely affect the Fund’s performance. The Fund also runs the risk that GMO’s assessment of an investment may be wrong or that deficiencies in GMO’s or another service provider’s internal systems or controls will cause losses for the Fund or impair Fund operations.

- *Credit Risk* – The Fund runs the risk that the issuer or guarantor of a fixed income investment or the obligor of an obligation underlying an asset-backed security will be unable or unwilling to satisfy its obligation to pay principal and interest or otherwise to honor its obligations in a timely manner. The market price of a fixed income investment will normally decline as a result of the issuer's, guarantor's, or obligor's failure to meet its payment obligations. Below investment grade securities have speculative characteristics, and changes in economic conditions or other circumstances are more likely to impair the ability of issuers of those securities to make principal and interest payments than is the case with issuers of investment grade securities.
- *Illiquidity Risk* – Low trading volume, lack of a market maker, large position size, or legal restrictions may limit or prevent the Fund from selling particular securities or closing derivative positions at desirable prices.
- *Counterparty Risk* – The Fund runs the risk that the counterparty to a derivatives contract, a clearing member used by the Fund to hold a cleared derivatives contract, or a borrower of the Fund's securities will be unable or unwilling to make timely settlement payments, return the Fund's margin or otherwise honor its obligations.
- *Derivatives and Short Sales Risk* – The use of derivatives involves the risk that their value may not change as expected relative to changes in the value of the underlying assets, rates, or indices. Derivatives also present other risks, including market risk, illiquidity risk, currency risk, credit risk, and counterparty risk. In addition, the risks of loss associated with derivatives that provide short investment exposure and short sales of securities are theoretically unlimited.
- *Leveraging Risk* – The use of reverse repurchase agreements and other derivatives and securities lending creates leverage. Leverage increases the Fund's losses when the value of its investments (including derivatives) declines.
- *Market Risk – Asset-Backed Securities* – The market price of fixed income investments with complex structures, such as asset-backed securities, can decline due to a variety of factors, including market uncertainty about their credit quality and the reliability of their payment streams. Payment streams associated with asset-backed securities held by the Fund depend on many factors (e.g., the cash flow generated by the assets backing the securities, the deal structure, the credit worthiness of any credit-support provider, and the reliability of various other service providers with access to the payment stream), and a problem in any one of these factors can lead to a reduction in the payment stream GMO expected the Fund to receive at the time the Fund purchased the asset-backed security.
- *Non-U.S. Investment Risk* – The market prices of many non-U.S. securities fluctuate more than those of U.S. securities. Many non-U.S. securities markets are less stable, smaller, less liquid, and less regulated than U.S. securities markets, and the cost of trading in those markets often is higher than in U.S. securities markets. Non-U.S. portfolio transactions generally involve higher commission rates, transfer taxes, and custodial costs than similar transactions in the United States. In addition, the Fund may be subject to non-U.S. taxes, including potentially on a retroactive basis, on (i) capital gains it realizes or dividends, interest, or other amounts it realizes or accrues in respect of non-U.S. investments, (ii) transactions in those investments, and (iii) repatriation of proceeds generated from the sale or other disposition of those investments. Also, the Fund needs a license to invest directly in many non-U.S. securities markets, and the Fund is subject to the risk that it could not invest if its license were terminated or suspended. In some non-U.S. securities markets, prevailing custody and trade settlement practices (e.g., the requirement to pay for securities prior to receipt) expose the Fund to credit and other risks. Further, adverse changes in investment regulations, capital requirements or exchange controls could adversely affect the value of the Fund's investments. These and other risks (e.g., nationalization, expropriation or other confiscation of assets of non-U.S. issuers) tend to be greater for investments in companies tied economically to emerging countries, the economies of which may be predominantly based on only a few industries or dependent on revenues from particular commodities and which often are more volatile than the economies of developed countries.
- *Currency Risk* – Fluctuations in exchange rates can adversely affect the market value of the Fund's foreign currency holdings and investments denominated in foreign currencies.
- *Commodities Risk* – Commodities prices can be extremely volatile, and exposure to commodities can cause the net asset value of the Fund's shares to decline or fluctuate in a rapid and unpredictable manner.
- *Market Disruption and Geopolitical Risk* – Geopolitical and other events may disrupt securities markets and adversely affect global economies and markets. Those events, as well as other changes in non-U.S. and U.S. economic and political conditions, could adversely affect the value of the Fund's investments.
- *Focused Investment Risk* – Investments focused in countries, regions, sectors, industries, or issuers that are subject to the same or similar risk factors and investments whose prices are strongly correlated are subject to greater overall risk than investments that are more diversified.
- *Fund of Funds Risk* – The Fund is indirectly exposed to all of the risks of an investment in the underlying funds in which it invests, including the risk that those underlying funds will not perform as expected.
- *Market Risk – Equities* – The market prices of equities may decline due to factors affecting the issuing companies, their industries, or the economy and equity markets generally. If the Fund purchases equities for less than their value as determined by GMO, the Fund runs the risk that the market prices of these equities will not appreciate or will decline for a variety of reasons, one of which may be GMO's

GMO ASSET ALLOCATION BOND FUND

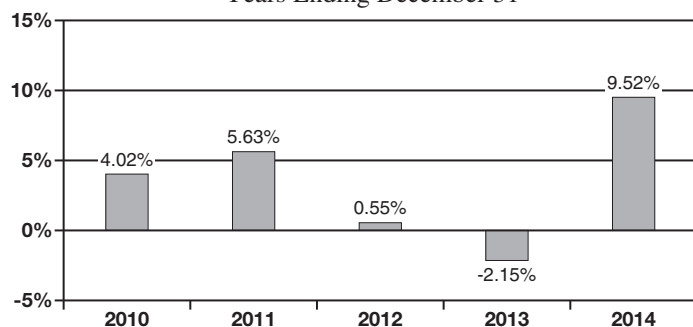
incorrect assessment of their intrinsic value. The Fund also may purchase equities that typically trade at higher multiples of current earnings than other securities, and the market prices of these equities often are more sensitive to changes in future earnings expectations than the market prices of equities trading at lower multiples. Declines in stock market prices generally are likely to reduce the net asset value of the Fund's shares.

- **Smaller Company Risk** – Smaller companies may have limited product lines, markets, or financial resources, may lack the competitive strength of larger companies, may have inexperienced managers or may depend on a few key employees. The securities of companies with smaller market capitalizations often are less widely held and trade less frequently and in lesser quantities, and their market prices often fluctuate more, than the securities of companies with larger market capitalizations.
- **Merger Arbitrage Risk** – If the Fund purchases securities in anticipation of a proposed merger, exchange offer, tender offer, or other similar transaction, and that transaction later appears unlikely to be consummated or, in fact, is not consummated or is delayed, the market prices of the securities purchased by the Fund may decline sharply, resulting in losses to the Fund. The risk/reward payout of merger arbitrage strategies typically is asymmetric – the losses in failed transactions often far exceeding the gains in successful transactions. Merger arbitrage strategies are subject to the risk of overall market movements, and the Fund may experience losses even if a transaction is consummated.
- **Large Shareholder Risk** – To the extent that a large number of shares of the Fund is held by a single shareholder (e.g., an institutional investor or another GMO Fund) or a group of shareholders with a common investment strategy (e.g., GMO asset allocation accounts), the Fund is subject to the risk that a redemption by those shareholders of all or a large portion of their Fund shares will cause the Fund to sell securities at disadvantageous prices or otherwise will disrupt the Fund's operations.

Performance

The bar chart and table below provide some indication of the risks of investing in the Fund by showing changes in the Fund's annual total returns from year to year for the periods indicated and by comparing the Fund's average annual total returns for different calendar periods with those of a broad-based index. After-tax returns are calculated using the historical highest individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Actual after-tax returns depend on your tax situation and may differ from those shown. After-tax returns shown are not relevant if you are tax-exempt or if you hold your Fund shares through tax-deferred arrangements (such as a 401(k) plan or individual retirement account). After-tax returns are shown for Class III shares only; after-tax returns for other classes will vary. Updated performance information for the Fund is available at www.gmo.com. Past performance (before and after taxes) is not an indication of future performance.

Annual Total Returns/Class III Shares
Years Ending December 31



Highest Quarter: 3.53% (2Q2014)
Lowest Quarter: -2.83% (4Q2013)
Year-to-Date (as of 3/31/15): -1.96%

Average Annual Total Returns
Periods Ending December 31, 2014

	1 Year	5 Years	10 Years	Incept.
Class III				3/27/09
Return Before Taxes	9.52%	3.43%	N/A	4.06%
Return After Taxes on Distributions	7.56%	1.97%	N/A	2.61%
Return After Taxes on Distributions and Sale of Fund Shares	5.39%	2.11%	N/A	2.62%
Citigroup 3-Month Treasury Bill Index (reflects no deduction for fees, expenses, or taxes)	0.03%	0.07%	N/A	0.08%
Class VI				3/18/09
Return Before Taxes	9.60%	3.54%	N/A	4.26%
Citigroup 3-Month Treasury Bill Index (reflects no deduction for fees, expenses, or taxes)	0.03%	0.07%	N/A	0.08%

Management of the Fund

Investment Adviser: Grantham, Mayo, Van Otterloo & Co. LLC

Investment Team and Senior Members of GMO primarily responsible for portfolio management of the Fund:

Investment Team	Senior Member (Length of Service with Fund)	Title
Developed Fixed Income	Ben Inker (since November 2014)	Co-Head, Asset Allocation Team and Co-Head, Developed Fixed Income Team, GMO.
Developed Fixed Income	Sam Wilderman (since November 2014)	Co-Head, Asset Allocation Team and Co-Head, Developed Fixed Income Team, GMO.
Developed Fixed Income	Michael Emanuel (since February 2015)	Portfolio Manager, Developed Fixed Income Team, GMO.
Developed Fixed Income	Greg Jones (since February 2015)	Portfolio Manager, Developed Fixed Income Team, GMO.

Additional information

For important information about purchase and sale of Fund shares, taxes, and financial intermediary compensation, please see “Additional Summary Information About the Funds” on page 144 of this Prospectus.

GMO BENCHMARK-FREE FUND

Investment objective

Positive total return.

Fees and expenses

The tables below describe the fees and expenses that you may bear if you buy and hold shares of the Fund.

Shareholder fees

(fees paid directly from your investment)

	Class III
Purchase premium (as a percentage of amount invested)	0.18%
Redemption fee (as a percentage of amount redeemed)	0.18%

Annual Fund operating expenses

(expenses that you bear each year as a percentage of the value of your investment)

	Class III
Management fee	0.00%
Shareholder service fee	0.00%
Other expenses	0.01%
Acquired fund fees and expenses (underlying fund expenses)	0.62% ¹
Total annual operating expenses	0.63%
Expense reimbursement	(0.01)% ²
Total annual operating expenses after expense reimbursement (Fund and underlying fund expenses)	0.62%

¹ These indirect expenses include interest expense that may be incurred by certain underlying funds and also include, to the extent applicable, purchase premiums and redemption fees ("transaction fees") charged by certain underlying funds. Net fees and expenses of underlying funds (before addition of interest expense and transaction fees), indirect interest expense, and indirect transaction fees were approximately 0.52%, less than 0.01%, and 0.10%, respectively.

² Grantham, Mayo, Van Otterloo & Co. LLC ("GMO") has contractually agreed to reimburse the Fund for the following expenses: audit expenses, fund accounting expenses, pricing service expenses, expenses of non-investment related tax services, transfer agency expenses, expenses of non-investment related legal services provided to the Fund by or at the direction of GMO, federal securities law filing expenses, printing expenses, state and federal registration fees, and custody expenses. This reimbursement will continue through at least June 30, 2016, and may not be terminated prior to this date without the action or consent of the Fund's Board of Trustees.

Example

This example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. The example assumes that you invest \$10,000 in the Fund for the time periods indicated. The example also assumes that your investment has a 5% return each year and that the Fund's operating expenses remain the same as those shown in the table. The one year amounts shown reflect the expense reimbursement noted in the expense table. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

	If you sell your shares				If you do not sell your shares			
	1 Year	3 Years	5 Years	10 Years	1 Year	3 Years	5 Years	10 Years
Class III	\$100	\$245	\$403	\$863	\$81	\$225	\$381	\$835

Portfolio turnover

The Fund pays transaction costs, such as commissions, when it buys and sells securities. A higher portfolio turnover rate may result in higher transaction costs and, when Fund shares are held in a taxable account, higher taxes. These costs, which are not reflected in Annual Fund operating expenses or in the Example, affect the Fund's performance. During its fiscal year ended February 28, 2015, the Fund's portfolio turnover rate (excluding short-term investments) was 60% of the average value of its portfolio.

Principal investment strategies

The Fund is a fund of funds and invests primarily in shares of other series of GMO Trust (each, a "GMO Fund"). The Fund may invest in any GMO Fund (collectively, the "underlying Funds"), whether now existing or created in the future, including GMO Funds not offered by this Prospectus. These underlying Funds may include, among others, the Equity Funds, the Fixed Income Funds, and the Implementation Funds, as well as GMO GAAR Implementation Fund, GMO High Quality Short-Duration Bond Fund, GMO Systematic Global Macro Opportunity Fund, and GMO World Opportunity Overlay Fund, each a series of the Trust not offered by this Prospectus (see "Additional Information About the Fund's Investment Strategies, Risks and Expenses – Asset Allocation Funds" and "Investment in Other GMO Funds"). The Fund also may invest directly in securities (particularly asset-backed securities).

GMO implements the Fund's strategy by allocating its assets among asset classes represented by the underlying Funds (e.g., non-U.S. equity, U.S. equity, emerging country equity, emerging country debt, non-U.S. fixed income, U.S. fixed income and commodities). The Fund is not restricted in its exposure to any particular asset class, and at times may be substantially invested in underlying Funds that primarily invest in a single asset class (e.g., Fixed Income Funds). In addition, the Fund is not restricted in its exposure to any particular market, capitalization range, quality or maturity. At times, the Fund may have substantial exposure to a particular country or type of country (e.g., emerging countries). GMO does not manage the Fund to, or control the Fund's risk relative to, any index or benchmark.

GMO uses its multi-year forecasts of returns among asset classes, together with its assessment of the relative risks of such asset classes, to select the underlying Funds in which the Fund invests and to decide how much to invest in each. An important component of those forecasts is the expectation that valuations ultimately revert to their historical mean (average). GMO changes the Fund's holdings of the underlying Funds in response to changes in GMO's investment outlook and market valuations and may use redemptions or purchases of Fund shares to rebalance the Fund's investments. GMO's ability to shift investments among the underlying Funds is not subject to any limits. The Fund may invest substantially all of its assets in a few underlying Funds that primarily invest in the same asset class and may, at times, also invest a substantial portion of its assets in a single underlying Fund. The Fund may have indirect exposure to derivatives and short sales through its investment in GMO GAAR Implementation Fund and other underlying Funds. The Fund also reserves the right to invest directly in asset classes, or to adjust its exposure to asset classes, through direct investments. The factors considered and investment methods used by GMO can change over time.

The Fund also may invest in U.S. Treasury Fund and in money market funds unaffiliated with GMO.

Principal risks of investing in the Fund

The value of the Fund's shares changes with the value of the Fund's investments. Many factors can affect this value, and you may lose money by investing in the Fund. References to investments include those held directly by the Fund and indirectly through the Fund's investments in the underlying Funds. Some of the underlying Funds are *non-diversified investment companies* under the Investment Company Act of 1940, as amended, and therefore a decline in the market price of a particular security held by those underlying Funds may affect their performance more than if they were diversified investment companies. The principal risks of investing in the Fund are summarized below. For a more complete discussion of these risks, including those risks to which the Fund is exposed as a result of its investments in the underlying Funds, see "Description of Principal Risks."

- **Market Risk – Equities** – The market prices of equities may decline due to factors affecting the issuing companies, their industries, or the economy and equity markets generally. If the Fund purchases equities for less than their value as determined by GMO, the Fund runs the risk that the market prices of these equities will not appreciate or will decline for a variety of reasons, one of which may be GMO's incorrect assessment of their intrinsic value. The Fund also may purchase equities that typically trade at higher multiples of current earnings than other securities, and the market prices of these equities often are more sensitive to changes in future earnings expectations than the market prices of equities trading at lower multiples. Declines in stock market prices generally are likely to reduce the net asset value of the Fund's shares.
- **Management and Operational Risk** – The Fund runs the risk that GMO's investment techniques will fail to produce desired results. GMO often uses quantitative analyses and models as part of its investment process. All models support portfolio decisions but are not necessarily predictive of future market events. These analyses and models also make simplifying assumptions that may limit their effectiveness. In addition, there are limitations (e.g., inaccuracies, staleness) on the data available for analysis or manipulation by the models. Any of those assumptions and/or limitations could adversely affect the Fund's performance. The Fund also runs the risk that GMO's assessment of an investment may be wrong or that deficiencies in GMO's or another service provider's internal systems or controls will cause losses for the Fund or impair Fund operations.
- **Non-U.S. Investment Risk** – The market prices of many non-U.S. securities fluctuate more than those of U.S. securities. Many non-U.S. securities markets are less stable, smaller, less liquid and less regulated than U.S. securities markets, and the cost of trading in those markets often is higher than in U.S. securities markets. Non-U.S. portfolio transactions generally involve higher commission rates, transfer taxes, and custodial costs than similar transactions in the United States. In addition, the Fund may be subject to non-U.S. taxes, including potentially on a retroactive basis, on (i) capital gains it realizes or dividends, interest, or other amounts it realizes or accrues in respect of non-U.S. investments, (ii) transactions in those investments, and (iii) repatriation of proceeds generated from the sale or other disposition of those investments. Also, the Fund needs a license to invest directly in many non-U.S. securities markets, and the Fund is subject to the risk that it could not invest if its license were terminated or suspended. In some non-U.S. securities markets, prevailing custody and trade settlement practices (e.g., the requirement to pay for securities prior to receipt) expose the Fund to credit and other risks. Further, adverse changes in investment regulations, capital requirements or exchange controls could adversely affect the value of the Fund's investments. These and other risks (e.g., nationalization, expropriation or other confiscation of assets of non-U.S. issuers) tend to be greater for investments in companies tied economically to emerging countries, the economies of which may be predominantly based on only a few industries or dependent on revenues from particular commodities and which often are more volatile than the economies of developed countries.

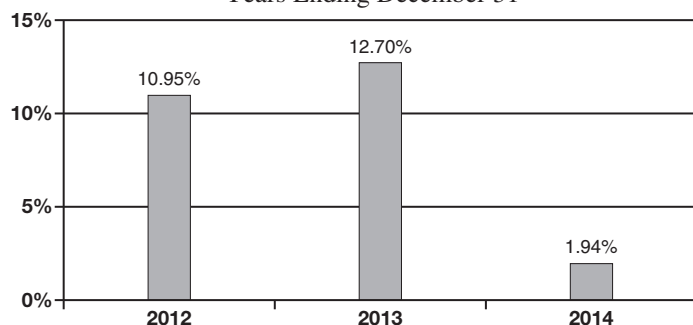
- *Market Risk – Fixed Income Investments* – The market price of a fixed income investment can decline due to market-related factors, including rising interest rates and widening credit spreads, or decreased liquidity stemming from the market’s uncertainty about the value of a fixed income investment (or class of fixed income investments).
- *Market Risk – Asset-Backed Securities* – The market price of fixed income investments with complex structures, such as asset-backed securities, can decline due to a variety of factors, including market uncertainty about their credit quality and the reliability of their payment streams. Payment streams associated with asset-backed securities held by the Fund depend on many factors (e.g., the cash flow generated by the assets backing the securities, the deal structure, the credit worthiness of any credit-support provider, and the reliability of various other service providers with access to the payment stream), and a problem in any one of these factors can lead to a reduction in the payment stream GMO expected the Fund to receive at the time the Fund purchased the asset-backed security.
- *Derivatives and Short Sales Risk* – The use of derivatives involves the risk that their value may not change as expected relative to changes in the value of the underlying assets, rates, or indices. Derivatives also present other risks, including market risk, illiquidity risk, currency risk, credit risk, and counterparty risk. The market price of an option is affected by many factors, including changes in the market prices or dividend rates of underlying securities (or in the case of indices, the securities in such indices); the time remaining before expiration; changes in interest rates or exchange rates; and changes in the actual or perceived volatility of the relevant stock market and underlying securities. In addition, the risks of loss associated with derivatives that provide short investment exposure and short sales of securities are theoretically unlimited.
- *Smaller Company Risk* – Smaller companies may have limited product lines, markets, or financial resources, may lack the competitive strength of larger companies, may have inexperienced managers or may depend on a few key employees. The securities of companies with smaller market capitalizations often are less widely held and trade less frequently and in lesser quantities, and their market prices often fluctuate more, than the securities of companies with larger market capitalizations.
- *Illiquidity Risk* – Low trading volume, lack of a market maker, large position size or legal restrictions may limit or prevent the Fund from selling particular securities or closing derivative positions at desirable prices.
- *Currency Risk* – Fluctuations in exchange rates can adversely affect the market value of the Fund’s foreign currency holdings and investments denominated in foreign currencies.
- *Fund of Funds Risk* – The Fund is indirectly exposed to all of the risks of an investment in the underlying Funds in which it invests, including the risk that those underlying Funds will not perform as expected. Because the Fund bears the fees and expenses of the underlying Funds in which it invests, a reallocation of the Fund’s investments to underlying Funds with higher fees or expenses will increase the Fund’s total expenses. The fees and expenses associated with an investment in the Fund are less predictable than those associated with an investment in funds that charge a fixed management fee.
- *Credit Risk* – The Fund runs the risk that the issuer or guarantor of a fixed income investment or the obligor of an obligation underlying an asset-backed security will be unable or unwilling to satisfy its obligation to pay principal and interest or otherwise to honor its obligations in a timely manner. The market price of a fixed income investment will normally decline as a result of the issuer’s, guarantor’s, or obligor’s failure to meet its payment obligations. Below investment grade securities have speculative characteristics, and changes in economic conditions or other circumstances are more likely to impair the ability of issuers of those securities to make principal and interest payments than is the case with issuers of investment grade securities.
- *Counterparty Risk* – The Fund runs the risk that the counterparty to a derivatives contract, a clearing member used by the Fund to hold a cleared derivatives contract, or a borrower of the Fund’s securities will be unable or unwilling to make timely settlement payments, return the Fund’s margin, or otherwise honor its obligations.
- *Commodities Risk* – Commodities prices can be extremely volatile, and exposure to commodities can cause the net asset value of the Fund’s shares to decline or fluctuate in a rapid and unpredictable manner.
- *Leveraging Risk* – The use of reverse repurchase agreements and other derivatives and securities lending creates leverage. Leverage increases the Fund’s losses when the value of its investments (including derivatives) declines.
- *Merger Arbitrage Risk* – If the Fund purchases securities in anticipation of a proposed merger, exchange offer, tender offer, or other similar transaction, and that transaction later appears unlikely to be consummated or, in fact, is not consummated or is delayed, the market prices of the securities purchased by the Fund may decline sharply, resulting in losses to the Fund. The risk/reward payout of merger arbitrage strategies typically is asymmetric – the losses in failed transactions often far exceeding the gains in successful transactions. Merger arbitrage strategies are subject to the risk of overall market movements, and the Fund may experience losses even if a transaction is consummated.
- *Market Disruption and Geopolitical Risk* – Geopolitical and other events may disrupt securities markets and adversely affect global economies and markets. Those events, as well as other changes in non-U.S. and U.S. economic and political conditions, could adversely affect the value of the Fund’s investments.

- **Focused Investment Risk** – Investments focused in a limited number of countries, regions, sectors, industries, or issuers that are subject to the same or similar risk factors and investments whose prices are strongly correlated are subject to greater overall risk than investments that are more diversified.
- **Large Shareholder Risk** – To the extent that a large number of shares of the Fund is held by a single shareholder (e.g., an institutional investor), the Fund is subject to the risk that a redemption by that shareholder of all or a large portion of its Fund shares will disrupt the Fund's operations.

Performance

The bar chart and table below provide some indication of the risks of investing in the Fund by showing changes in the Fund's annual total returns from year to year for the periods indicated and by comparing the Fund's average annual total returns for different calendar periods with those of the Barclays U.S. Treasury Inflation Notes: 1-10 Year Index and the Consumer Price Index. Purchase premiums and redemption fees are not reflected in the bar chart, but are reflected in the table; as a result, the returns in the table are lower than the returns in the bar chart. Returns in the table reflect current purchase premiums and redemption fees. After-tax returns are calculated using the historical highest individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Actual after-tax returns depend on your tax situation and may differ from those shown. After-tax returns shown are not relevant if you are tax-exempt or if you hold your Fund shares through tax-deferred arrangements (such as a 401(k) plan or individual retirement account). Updated performance information for the Fund is available at www.gmo.com. Past performance (before and after taxes) is not an indication of future performance.

Annual Total Returns/Class III Shares
Years Ending December 31



Highest Quarter: 5.96% (1Q2012)
Lowest Quarter: – 2.50% (3Q2014)
Year-to-Date (as of 3/31/15): 1.13%

Average Annual Total Returns
Periods Ending December 31, 2014

	1 Year	5 Years	10 Years	Incept.
Class III				6/15/11
Return Before Taxes	1.68%	N/A	N/A	7.42%
Return After Taxes on Distributions	– 1.94%	N/A	N/A	5.27%
Return After Taxes on Distributions and Sale of Fund Shares	3.36%	N/A	N/A	5.56%
Barclays U.S. Treasury Inflation Notes: 1-10 Year Index (reflects no deduction for fees, expenses, or taxes)	0.91%	N/A	N/A	0.92%
Consumer Price Index (reflects no deduction for fees, expenses, or taxes)	0.67%	N/A	N/A	1.43%

Management of the Fund

Investment Adviser: Grantham, Mayo, Van Otterloo & Co. LLC

Investment Team and Senior Members of GMO primarily responsible for portfolio management of the Fund:

Investment Team	Senior Member (Length of Service with Fund)	Title
Asset Allocation	Ben Inker (since the Fund's inception)	Co-Head, Asset Allocation Team and Co-Head, Developed Fixed Income Team, GMO.
Asset Allocation	Sam Wilderman (since 2012)	Co-Head, Asset Allocation Team and Co-Head, Developed Fixed Income Team, GMO.

Additional information

For important information about purchase and sale of Fund shares, taxes, and financial intermediary compensation, please see "Additional Summary Information About the Funds" on page 144 of this Prospectus.

GMO IMPLEMENTATION FUND

Investment objective

Positive total return, not “relative return.”

Fees and expenses

The tables below describe the fees and expenses that you may bear if you buy and hold shares of the Fund.

Shareholder fees

(fees paid directly from your investment)

Purchase premium (as a percentage of amount invested)	0.20%
Redemption fee (as a percentage of amount redeemed)	0.20%

Annual Fund operating expenses

(expenses that you bear each year as a percentage of the value of your investment)

Management fee	0.00%
Other expenses	0.12% ¹
Total annual operating expenses	0.12%
Expense reimbursement	(0.04)% ²
Total annual operating expenses after expense reimbursement	0.08%

¹ The amount includes interest expense and dividend expenses incurred by the Fund as a result of short sales. “Other expenses” (before addition of interest expense and dividend expenses on short sales), interest expense and dividend expenses on short sales were approximately 0.04%, less than 0.01% and 0.07%, respectively.

² Grantham, Mayo, Van Otterloo & Co. LLC (“GMO”) has contractually agreed to reimburse the Fund for the following expenses: audit expenses, fund accounting expenses, pricing service expenses, expenses of non-investment related tax services, transfer agency expenses, expenses of non-investment related legal services provided to the Fund by or at the direction of GMO, federal securities law filing expenses, printing expenses, state and federal registration fees, and custody expenses. This reimbursement will continue through at least June 30, 2016, and may not be terminated prior to this date without the action or consent of the Fund’s Board of Trustees.

Example

This example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. The example assumes that you invest \$10,000 in the Fund for the time periods indicated. The example also assumes that your investment has a 5% return each year and that the Fund’s operating expenses remain the same as those shown in the table. The one year amounts shown reflect the expense reimbursement noted in the expense table. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

	If you sell your shares				If you do not sell your shares			
	1 Year	3 Years	5 Years	10 Years	1 Year	3 Years	5 Years	10 Years
GMO Implementation Fund	\$49	\$78	\$109	\$202	\$28	\$55	\$84	\$169

Portfolio turnover

The Fund pays transaction costs, such as commissions, when it buys and sells securities. A higher portfolio turnover rate may result in higher transaction costs and, when Fund shares are held in a taxable account, higher taxes. These costs, which are not reflected in Annual Fund operating expenses or in the Example, affect the Fund’s performance. During its fiscal year ended February 28, 2015, the Fund’s portfolio turnover rate (excluding short-term investments) was 115% of the average value of its portfolio.

Principal investment strategies

GMO pursues investment strategies for the Fund that are intended to complement the strategies it is pursuing in other funds or accounts managed by GMO. Accordingly, the Fund is not a standalone investment. 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 Fund’s strategic direction. An important component of those forecasts is the expectation that valuations ultimately revert to their historical mean (average). The factors considered and investment methods used by GMO can change over time.

GMO does not manage the Fund to, or control the Fund’s risk relative to, any securities index or securities benchmark. Depending on GMO’s outlook, the Fund may have exposure to any asset class (e.g., non-U.S. equity, U.S. equity, emerging country equity, emerging country debt, non-U.S. fixed income, U.S. fixed income, real estate, and commodities) and at times may be substantially invested in a single asset class. The Fund may invest in companies of any market capitalization. In addition, the Fund is not limited in how much it may invest in any market, and it may invest all of its assets in the securities of a limited number of companies in a single country and/or capitalization range. The Fund may invest a significant portion of its assets in the securities of issuers in industries that are subject to the same or similar risk factors. To the extent the Fund invests in fixed income securities, it may have significant exposure to fixed income instruments of any credit quality, including those that are below investment grade (commonly referred to as “junk bonds”) and having any maturity or duration. The Fund also may have exposure to short sales. GMO’s ability to shift investments among asset classes is not subject to any limits.

The Fund may engage in transactions in which it purchases securities at prices below the value of the consideration GMO expects to be paid for them upon consummation of a proposed merger, exchange offer, tender offer, or other similar transaction (“merger arbitrage transactions”). The purchase price may substantially exceed the market price of the securities before the announcement of the transaction.

In conjunction with merger arbitrage transactions, the Fund may invest in derivatives or sell securities short in an effort to protect against market fluctuations or other risks or to adjust long or short investment exposure to one or more asset classes or issuers.

As an alternative for investing directly in securities, the Fund may invest in exchange-traded and over-the-counter (OTC) derivatives (e.g., selling put options on securities) and exchange-traded funds (ETFs). The Fund also may invest in derivatives and ETFs: (i) in an attempt to reduce investment exposures (which may result in a reduction below zero); (ii) in an attempt to adjust elements of the Fund’s investment exposure; and (iii) as a substitute for securities lending. Derivatives used may include options, futures, warrants, swap contracts, and reverse repurchase agreements. The Fund’s foreign currency exposure may differ from the currency exposure of its securities. In addition, the Fund may lend its portfolio securities.

The Fund is not limited in its use of derivatives or in the total notional value of its derivative positions. As a result of its derivative positions, the Fund may have gross investment exposures in excess of its net assets (i.e., the Fund may be leveraged) and therefore is subject to heightened risk of loss. The Fund’s performance can depend substantially, if not primarily, on the performance of assets or indices underlying its derivatives even though it does not own those assets or indices.

The Fund may gain exposure to commodities and some other assets by investing through a wholly-owned subsidiary. GMO serves as the investment manager to this subsidiary but does not receive any additional management or other fees for its services. The subsidiary invests primarily in commodity-related derivatives and fixed income securities, but also may invest in any other investments in which the Fund may invest directly. References in this Prospectus to the Fund may refer to actions undertaken by the Fund or the subsidiary company. The Fund does not invest directly in commodities and commodity-related derivatives.

The Fund also may invest in U.S. Treasury Fund and in money market funds unaffiliated with GMO.

Principal risks of investing in the Fund

The value of the Fund’s shares changes with the value of the Fund’s investments. Many factors can affect this value, and you may lose money by investing in the Fund. References to investments include those held directly by the Fund and indirectly through the Fund’s investments in its wholly-owned subsidiary and in any underlying funds in which it invests. The Fund is a *non-diversified investment company* under the Investment Company Act of 1940, as amended, and therefore a decline in the market price of a particular security held by the Fund may affect the Fund’s performance more than if the Fund were a diversified investment company. The principal risks of investing in the Fund are summarized below. For a more complete discussion of these risks, including those risks to which the Fund is exposed as a result of its investments in its wholly-owned subsidiary and in any underlying funds, see “Description of Principal Risks.”

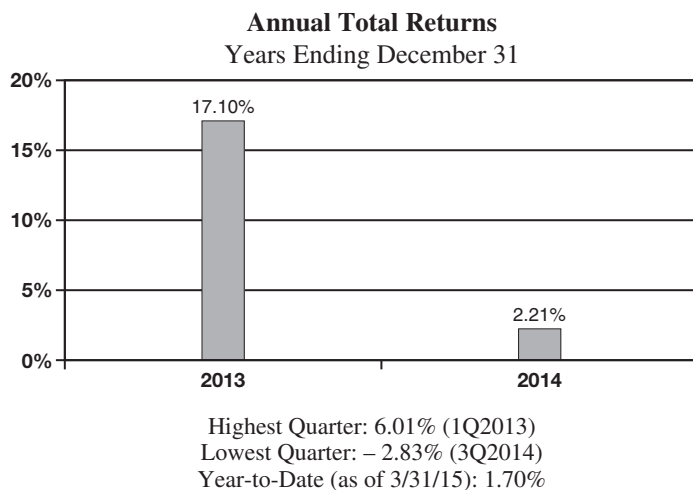
- **Market Risk – Equities** – The market prices of equities may decline due to factors affecting the issuing companies, their industries, or the economy and equity markets generally. If the Fund purchases equities for less than their value as determined by GMO, the Fund runs the risk that the market prices of these equities will not appreciate or will decline for a variety of reasons, one of which may be GMO’s incorrect assessment of their intrinsic value. The Fund also may purchase equities that typically trade at higher multiples of current earnings than other securities, and the market prices of these equities often are more sensitive to changes in future earnings expectations than the market prices of equities trading at lower multiples. Declines in stock market prices generally are likely to reduce the net asset value of the Fund’s shares.
- **Market Risk – Fixed Income Investments** – The market price of a fixed income investment can decline due to market-related factors, including rising interest rates and widening credit spreads, or decreased liquidity stemming from the market’s uncertainty about the value of a fixed income investment (or class of fixed income investments).
- **Non-U.S. Investment Risk** – The market prices of many non-U.S. securities fluctuate more than those of U.S. securities. Many non-U.S. securities markets are less stable, smaller, less liquid and less regulated than U.S. securities markets, and the cost of trading in those markets often is higher than in U.S. securities markets. Non-U.S. portfolio transactions generally involve higher commission rates, transfer taxes, and custodial costs than similar transactions in the United States. In addition, the Fund may be subject to non-U.S. taxes, including potentially on a retroactive basis, on (i) capital gains it realizes or dividends, interest, or other amounts it realizes or accrues in respect of non-U.S. investments, (ii) transactions in those investments, and (iii) repatriation of proceeds generated from the sale or other disposition of those investments. Also, the Fund needs a license to invest directly in many non-U.S. securities markets, and the Fund is subject to the risk that it could not invest if its license were terminated or suspended. In some non-U.S. securities markets, prevailing custody and trade settlement practices (e.g., the requirement to pay for securities prior to receipt) expose the Fund to credit and other risks. Further, adverse changes in investment regulations, capital requirements or exchange controls could adversely affect the value of the Fund’s investments. These and other risks (e.g., nationalization, expropriation or other confiscation of assets of non-U.S. issuers) tend to be greater for investments in companies tied economically to emerging countries, the economies of which may be predominantly based on only a few industries or dependent on revenues from particular commodities and which often are more volatile than the economies of developed countries.

- *Management and Operational Risk* – The Fund runs the risk that GMO’s investment techniques will fail to produce desired results. GMO often uses quantitative analyses and models as part of its investment process. All models support portfolio decisions but are not necessarily predictive of future market events. These analyses and models also make simplifying assumptions that may limit their effectiveness. In addition, there are limitations (e.g., inaccuracies, staleness) on the data available for analysis or manipulation by the models. Any of those assumptions and/or limitations could adversely affect the Fund’s performance. The Fund also runs the risk that GMO’s assessment of an investment may be wrong or that deficiencies in GMO’s or another service provider’s internal systems or controls will cause losses for the Fund or impair Fund operations.
- *Derivatives and Short Sales Risk* – The use of derivatives involves the risk that their value may not change as expected relative to changes in the value of the underlying assets, rates, or indices. Derivatives also present other risks, including market risk, illiquidity risk, currency risk, credit risk, and counterparty risk. The market price of an option is affected by many factors, including changes in the market prices or dividend rates of underlying securities (or in the case of indices, the securities in such indices); the time remaining before expiration; changes in interest rates or exchange rates; and changes in the actual or perceived volatility of the relevant stock market and underlying securities. In addition, the risks of loss associated with derivatives that provide short investment exposure and short sales of securities are theoretically unlimited.
- *Smaller Company Risk* – Smaller companies may have limited product lines, markets, or financial resources, may lack the competitive strength of larger companies, may have inexperienced managers or may depend on a few key employees. The securities of companies with smaller market capitalizations often are less widely held and trade less frequently and in lesser quantities, and their market prices often fluctuate more, than the securities of companies with larger market capitalizations.
- *Illiquidity Risk* – Low trading volume, lack of a market maker, large position size or legal restrictions may limit or prevent the Fund from selling particular securities or closing derivative positions at desirable prices.
- *Currency Risk* – Fluctuations in exchange rates can adversely affect the market value of the Fund’s foreign currency holdings and investments denominated in foreign currencies.
- *Credit Risk* – The Fund runs the risk that the issuer or guarantor of a fixed income investment or the obligor of an obligation underlying an asset-backed security will be unable or unwilling to satisfy its obligation to pay principal and interest or otherwise to honor its obligations in a timely manner. The market price of a fixed income investment will normally decline as a result of the issuer’s, guarantor’s, or obligor’s failure to meet its payment obligations. Below investment grade securities have speculative characteristics, and changes in economic conditions or other circumstances are more likely to impair the ability of issuers of those securities to make principal and interest payments than is the case with issuers of investment grade securities.
- *Market Risk – Asset-Backed Securities* – The market price of fixed income investments with complex structures, such as asset-backed securities, can decline due to a variety of factors, including market uncertainty about their credit quality and the reliability of their payment streams. Payment streams associated with asset-backed securities held by the Fund depend on many factors (e.g., the cash flow generated by the assets backing the securities, the deal structure, the credit worthiness of any credit-support provider, and the reliability of various other service providers with access to the payment stream), and a problem in any one of these factors can lead to a reduction in the payment stream GMO expected the Fund to receive at the time the Fund purchased the asset-backed security.
- *Counterparty Risk* – The Fund runs the risk that the counterparty to a derivatives contract, a clearing member used by the Fund to hold a cleared derivatives contract, or a borrower of the Fund’s securities will be unable or unwilling to make timely settlement payments, return the Fund’s margin, or otherwise honor its obligations.
- *Leveraging Risk* – The use of reverse repurchase agreements and other derivatives and securities lending creates leverage. Leverage increases the Fund’s losses when the value of its investments (including derivatives) declines.
- *Market Disruption and Geopolitical Risk* – Geopolitical and other events may disrupt securities markets and adversely affect global economies and markets. Those events, as well as other changes in non-U.S. and U.S. economic and political conditions, could adversely affect the value of the Fund’s investments.
- *Merger Arbitrage Risk* – If the Fund purchases securities in anticipation of a proposed merger, exchange offer, tender offer, or other similar transaction, and that transaction later appears unlikely to be consummated or, in fact, is not consummated or is delayed, the market prices of the securities purchased by the Fund may decline sharply, resulting in losses to the Fund. The risk/reward payout of merger arbitrage strategies typically is asymmetric – the losses in failed transactions often far exceeding the gains in successful transactions. A merger arbitrage transaction can fail for many reasons, including regulatory and antitrust restrictions, political motivations, industry weakness, stock specific events, failed financings, and general market declines. When merger activity is low, GMO may be unable to identify enough opportunities to provide sufficient diversification. Merger arbitrage strategies are subject to the risk of overall market movements, and the Fund may experience losses even if a transaction is consummated. The Fund’s investments in derivatives or short sales of securities to hedge or otherwise adjust investment exposure in connection with a merger arbitrage transaction may not perform as expected or may otherwise reduce the Fund’s gains or increase its losses.

- **Commodities Risk** – Commodities prices can be extremely volatile, and exposure to commodities can cause the net asset value of the Fund's shares to decline or fluctuate in a rapid and unpredictable manner.
- **Focused Investment Risk** – Investments focused in a limited number of countries, regions, sectors, industries, or issuers that are subject to the same or similar risk factors and investments whose prices are strongly correlated are subject to greater overall risk than investments that are more diversified.
- **Large Shareholder Risk** – To the extent that a large number of shares of the Fund is held by a single shareholder (e.g., an institutional investor), the Fund is subject to the risk that a redemption by that shareholder of all or a large portion of its Fund shares will disrupt the Fund's operations.
- **Fund of Funds Risk** – The Fund is indirectly exposed to all of the risks of an investment in its wholly-owned subsidiary and in any underlying funds in which it invests (including ETFs), including the risk that its wholly-owned subsidiary and those underlying funds will not perform as expected.

Performance

The bar chart and table below provide some indication of the risks of investing in the Fund by showing changes in the Fund's annual total returns from year to year for the periods indicated and by comparing the Fund's average annual total returns for different calendar periods with those of the Barclays U.S. Treasury Inflation Notes: 1-10 Year Index and the Consumer Price Index. Purchase premiums and redemption fees are not reflected in the bar chart, but are reflected in the table; as a result, the returns in the table are lower than the returns in the bar chart. Returns in the table reflect current purchase premiums and redemption fees. After-tax returns are calculated using the historical highest individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Actual after-tax returns depend on your tax situation and may differ from those shown. After-tax returns shown are not relevant if you are tax-exempt or if you hold your Fund shares through tax-deferred arrangements (such as a 401(k) plan or individual retirement account). Updated performance information for the Fund is available at www.gmo.com. Past performance (before and after taxes) is not an indication of future performance.



Average Annual Total Returns Periods Ending December 31, 2014				
	1 Year	5 Years	10 Years	Incept.
				3/1/12
Return Before Taxes	1.80%	N/A	N/A	9.39%
Return After Taxes on Distributions	1.80%	N/A	N/A	9.39%
Return After Taxes on Distributions and Sale of Fund Shares	1.02%	N/A	N/A	7.29%
Barclays U.S. Treasury Inflation Notes: 1-10 Year Index (reflects no deduction for fees, expenses, or taxes)	0.91%	N/A	N/A	-0.56%
Consumer Price Index (reflects no deduction for fees, expenses, or taxes)	0.67%	N/A	N/A	1.17%

Management of the Fund

Investment Adviser: Grantham, Mayo, Van Otterloo & Co. LLC

Investment Team and Senior Members of GMO primarily responsible for portfolio management of the Fund:

Investment Team	Senior Member (Length of Service with Fund)	Title
Asset Allocation	Ben Inker (since the Fund's inception)	Co-Head, Asset Allocation Team and Co-Head, Developed Fixed Income Team, GMO.
Asset Allocation	Sam Wilderman (since 2012)	Co-Head, Asset Allocation Team and Co-Head, Developed Fixed Income Team, GMO.

Additional information

For important information about purchase and sale of Fund shares, taxes, and financial intermediary compensation, please see "Additional Summary Information About the Funds" on page 144 of this Prospectus.

GMO RISK PREMIUM FUND

Investment objective

Total return.

Fees and expenses

The tables below describe the fees and expenses that you may bear for each class of shares if you buy and hold shares of the Fund.

Shareholder fees

(fees paid directly from your investment)

	Class III	Class IV	Class V	Class VI
Purchase premium (as a percentage of amount invested)	0.15%	0.15%	0.15%	0.15%
Redemption fee (as a percentage of amount redeemed)	0.15%	0.15%	0.15%	0.15%

Annual Fund operating expenses

(expenses that you bear each year as a percentage of the value of your investment)

	Class III	Class IV	Class V	Class VI
Management fee	0.45% ¹	0.45% ¹	0.45% ¹	0.45% ¹
Shareholder service fee	0.15% ¹	0.10% ¹	0.085% ¹	0.055% ¹
Other expenses	0.05%	0.04%	0.04%	0.04%
Total annual operating expenses	0.65%	0.59%	0.58%	0.55%
Expense reimbursement/waiver	(0.04%) ¹	(0.03%) ¹	(0.03%) ¹	(0.03%) ¹
Total annual operating expenses after expense reimbursement/waiver	0.61%	0.56%	0.55%	0.52%

¹ Grantham, Mayo, Van Otterloo & Co. LLC ("GMO") has contractually agreed to reimburse the Fund for the following expenses: audit expenses, fund accounting expenses, pricing service expenses, expenses of non-investment related tax services, transfer agency expenses, expenses of non-investment related legal services provided to the Fund by or at the direction of GMO, federal securities law filing expenses, printing expenses, state and federal registration fees and custody expenses. GMO also has contractually agreed to waive or reduce the Fund's management fees and shareholder service fees to the extent necessary to offset the management fees and shareholder service fees paid to GMO that are directly or indirectly borne by the Fund or a class of shares of the Fund as a result of the Fund's direct or indirect investments in other series of GMO Trust ("GMO Funds"). Management fees and shareholder service fees will not be waived below zero. This reimbursement and waiver will continue through at least June 30, 2016, and may not be terminated prior to this date without the action or consent of the Fund's Board of Trustees.

Example

This example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. The example assumes that you invest \$10,000 in the Fund for the time periods indicated. The example also assumes that your investment has a 5% return each year and that the Fund's operating expenses remain the same as those shown in the table. The one year amounts shown reflect the expense reimbursement and waiver noted in the expense table. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

	If you sell your shares				If you do not sell your shares			
	1 Year	3 Years	5 Years	10 Years	1 Year	3 Years	5 Years	10 Years
Class III	\$93	\$242	\$405	\$877	\$77	\$225	\$386	\$854
Class IV	\$88	\$226	\$377	\$816	\$72	\$209	\$359	\$793
Class V	\$87	\$221	\$367	\$793	\$71	\$204	\$349	\$770
Class VI	\$84	\$212	\$351	\$757	\$68	\$195	\$332	\$734

Portfolio turnover

The Fund pays transaction costs, such as commissions, when it buys and sells securities. A higher portfolio turnover rate may result in higher transaction costs and, when Fund shares are held in a taxable account, higher taxes. These costs, which are not reflected in Annual Fund operating expenses or in the Example, affect the Fund's performance. During its fiscal year ended February 28, 2015, the Fund's portfolio turnover rate (excluding short-term investments) was 112% of the average value of its portfolio.

Principal investment strategies

GMO pursues investment strategies for the Fund that are intended to complement the strategies it is pursuing in other funds or accounts managed by GMO. Accordingly, the Fund is not a standalone investment.

The Fund seeks to capture returns commensurate with the equity risk premium over a full market cycle with less sensitivity to equity valuations by writing put options on stock indices and by engaging in merger arbitrage strategies. GMO does not manage the Fund to, or control the Fund's risk relative to, any securities index or securities benchmark.

The Fund primarily uses options by selling (writing) put options on U.S. and non-U.S. (e.g., Europe, United Kingdom, Japan, Hong Kong, Canada, and Australia) stock indices. GMO determines the Fund's put-writing allocations among stock indices by using a proprietary indicator to assess the relative premiums available. The Fund's portfolio allocations are based on the relative attractiveness of each index in conjunction with other factors such as the liquidity available in each index's options markets. The Fund may have substantial exposures to relatively few U.S. and international stock indices. The Fund's performance can depend substantially, if not primarily, on the performance of assets or indices underlying its derivatives even though it does not own those assets or indices.

The Fund may purchase and sell put and call options of any type, including options on global, regional and country stock indices and options on exchange-traded funds (ETFs). The Fund may purchase and sell exchange-traded and over-the-counter (OTC) options, including options that are cash-settled as well as physically settled. The Fund may purchase and sell options and other securities tied economically to any country in the world, including emerging countries. The Fund may invest in forward currency contracts to manage its currency exposure.

GMO expects that the Fund's option positions typically will be fully collateralized at the time the Fund sells them. GMO, therefore, expects that the Fund will hold sufficient assets to cover the maximum possible loss the Fund might sustain upon the exercise of an option sold by the Fund.

The Fund may engage in transactions in which it purchases securities at prices below the value of the consideration GMO expects to be paid for them upon consummation of a proposed merger, exchange offer, tender offer, or other similar transaction ("merger arbitrage transactions"). Purchase prices may substantially exceed the market price of the securities before the announcement of the transaction.

In conjunction with merger arbitrage transactions, the Fund may invest in derivatives or sell securities short in an effort to protect against market fluctuations or other risks or to adjust long or short investment exposure to one or more asset classes or issuers.

The factors considered and investment methods used by GMO can change over time.

For collateral and cash management purposes, the Fund invests a substantial portion of its assets in shares of U.S. Treasury Fund, in U.S. Treasury bills and other highly rated securities, and in money market funds unaffiliated with GMO.

Principal risks of investing in the Fund

The value of the Fund's shares changes with the value of the Fund's investments. Many factors can affect this value, and you may lose money by investing in the Fund. The Fund is a *non-diversified investment company* under the Investment Company Act of 1940, as amended, and therefore a decline in the market price of a particular security held by the Fund may affect the Fund's performance more than if the Fund were a diversified investment company. The principal risks of investing in the Fund are summarized below. For a more complete discussion of these risks, see "Description of Principal Risks."

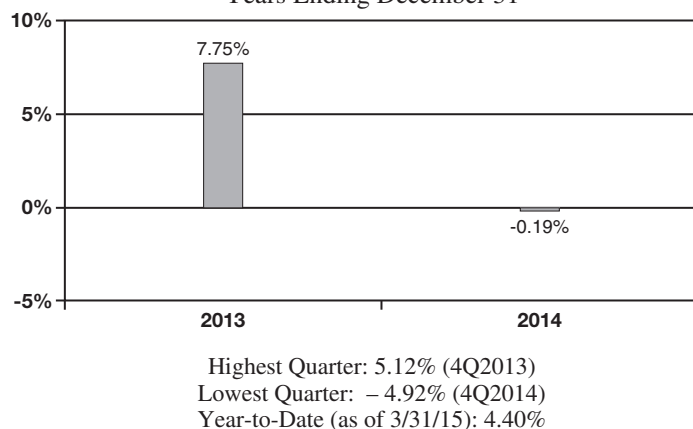
- **Market Risk – Equities** – Because of the Fund's emphasis on selling put options on stock indices, the Fund's net asset value is expected to decline when those indices decline in value. The market prices of equities may decline due to factors affecting the issuing companies, their industries, or the economy and equity markets generally. Also, the Fund's investment strategies of writing put options on stock indices and engaging in merger arbitrage transactions can be expected to cause the Fund to underperform the equity markets when those markets rise sharply.
- **Derivatives and Short Sales Risk** – The use of derivatives involves the risk that their value may not change as expected relative to changes in the value of the underlying assets, rates, or indices. Derivatives also present other risks, including market risk, illiquidity risk, currency risk, credit risk, and counterparty risk. The market price of an option is affected by many factors, including changes in the market prices or dividend rates of underlying securities (or in the case of indices, the securities in such indices); the time remaining before expiration; changes in interest rates or exchange rates; and changes in the actual or perceived volatility of the relevant stock market and underlying securities. In addition, the risks of loss associated with derivatives that provide short investment exposure and short sales of securities are theoretically unlimited.
- **Merger Arbitrage Risk** – If the Fund purchases securities in anticipation of a proposed merger, exchange offer, tender offer, or other similar transaction, and that transaction later appears unlikely to be consummated or, in fact, is not consummated or is delayed, the market prices of the securities purchased by the Fund may decline sharply, resulting in losses to the Fund. The risk/reward payout of merger arbitrage strategies typically is asymmetric - the losses in failed transactions often far exceeding the gains in successful transactions. A merger arbitrage transaction can fail for many reasons, including regulatory and antitrust restrictions, political motivations, industry weakness, stock specific events, failed financings, and general market declines. When merger activity is low, GMO may be unable to identify enough opportunities to provide sufficient diversification. Merger arbitrage strategies are subject to the risk of overall market movements, and the Fund may experience losses even if a transaction is consummated. The Fund's investments in derivatives or short sales of securities to hedge or otherwise adjust investment exposure in connection with a merger arbitrage transaction may not perform as expected or may otherwise reduce the Fund's gains or increase its losses.

- *Management and Operational Risk* – The Fund runs the risk that GMO’s investment techniques will fail to produce desired results. GMO often uses quantitative analyses and models as part of its investment process. All models support portfolio decisions but are not necessarily predictive of future market events. These analyses and models also make simplifying assumptions that may limit their effectiveness. In addition, there are limitations (e.g., inaccuracies, staleness) on the data available for analysis or manipulation by the models. Any of those assumptions and/or limitations could adversely affect the Fund’s performance. The Fund also runs the risk that GMO’s assessment of an investment may be wrong or that deficiencies in GMO’s or another service provider’s internal systems or controls will cause losses for the Fund or impair Fund operations.
- *Counterparty Risk* – The Fund runs the risk that the counterparty to a derivatives contract, a clearing member used by the Fund to hold a cleared derivatives contract, or a borrower of the Fund’s securities will be unable or unwilling to make timely settlement payments, return the Fund’s margin or otherwise honor its obligations.
- *Illiquidity Risk* – Low trading volume, lack of a market maker, large position size, or legal restrictions may limit or prevent the Fund from closing its option positions at desirable prices. The Fund’s ability to use options as part of its investment program depends on the liquidity of the options market. That market may not be liquid when the Fund seeks to close out an option position. If the Fund receives a redemption request and is unable to close out an option it has sold, the Fund may temporarily be leveraged in relation to its assets.
- *Focused Investment Risk* – Because the Fund can have substantial exposure through a limited number of options contracts and/or merger arbitrage transactions and because the Fund’s exposures may relate to relatively few stock indices and/or merger arbitrage transactions, the Fund is subject to more risk than if the Fund’s investments were more diversified.
- *Non-U.S. Investment Risk* – The market prices of many non-U.S. securities fluctuate more than those of U.S. securities. Many non-U.S. securities markets are less stable, smaller, less liquid, and less regulated than U.S. securities markets, and the cost of trading in those markets often is higher than in U.S. securities markets. Non-U.S. portfolio transactions generally involve higher commission rates, transfer taxes, and custodial costs than similar transactions in the United States. In addition, the Fund may be subject to non-U.S. taxes, including potentially on a retroactive basis, on (i) capital gains it realizes or dividends, interest, or other amounts it realizes or accrues in respect of non-U.S. investments, (ii) transactions in those investments, and (iii) repatriation of proceeds generated from the sale or other disposition of those investments. In some non-U.S. securities markets, prevailing custody and trade settlement practices (e.g., the requirement to pay for securities prior to receipt) expose the Fund to credit and other risks. Further, adverse changes in investment regulations, capital requirements or exchange controls could adversely affect the value of the Fund’s investments. These and other risks (e.g., nationalization, expropriation or other confiscation of assets of non-U.S. issuers) tend to be greater for investments in companies tied economically to emerging countries, the economies of which may be predominantly based on only a few industries or dependent on revenues from particular commodities and which often are more volatile than the economies of developed countries.
- *Currency Risk* – Fluctuations in exchange rates can adversely affect the market value of investments denominated in foreign currencies.
- *Market Risk – Fixed Income Investments* – The market price of a fixed income investment (e.g., U.S. Treasury bills) can decline due to market-related factors, primarily rising interest rates.
- *Credit Risk* – Securities issued by the U.S. Treasury historically have presented minimal credit risk. However, recent events have led to a downgrade in the long-term credit rating of U.S. bonds by several major rating agencies and have introduced greater uncertainty about the repayment by the United States of its obligations. A further credit rating downgrade could decrease, and a U.S. credit default would decrease, the value of the Fund’s investments and could increase the volatility of the Fund’s portfolio.
- *Smaller Company Risk* – Smaller companies may have limited product lines, markets, or financial resources, may lack the competitive strength of larger companies, may have inexperienced managers or may depend on a few key employees. The securities of companies with smaller market capitalizations often are less widely held and trade less frequently and in lesser quantities, and their market prices often fluctuate more, than the securities of companies with larger market capitalizations.
- *Market Disruption and Geopolitical Risk* – Geopolitical and other events may disrupt securities markets and adversely affect global economies and markets. Those events, as well as other changes in non-U.S. and U.S. economic and political conditions, could adversely affect the value of the Fund’s investments. To the extent that the Fund has focused its investments in the stock index of particular region, adverse geopolitical and other events could have a disproportionate impact on the Fund.
- *Large Shareholder Risk* – To the extent that a large number of shares of the Fund is held by a single shareholder (e.g., an institutional investor or another GMO Fund) or a group of shareholders with a common investment strategy (e.g., GMO asset allocation accounts), the Fund is subject to the risk that a redemption by those shareholders of all or a large portion of their Fund shares will cause the Fund to sell securities at disadvantageous prices or otherwise will disrupt the Fund’s operations.

Performance

The bar chart and table below provide some indication of the risks of investing in the Fund by showing the Fund's annual total returns for the periods indicated and by comparing the Fund's average annual total returns for different calendar periods with those of a broad-based index. Purchase premiums and redemption fees are not reflected in the bar chart, but are reflected in the table; as a result, the returns in the table are lower than the returns in the bar chart. Returns in the table reflect current purchase premiums and redemption fees. After-tax returns are calculated using the historical highest individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Actual after-tax returns depend on your tax situation and may differ from those shown. After-tax returns shown are not relevant if you are tax-exempt or if you hold your Fund shares through tax-deferred arrangements (such as a 401(k) plan or individual retirement account). After-tax returns are shown for Class III shares only; after-tax returns for other classes will vary. Updated performance information for the Fund is available at www.gmo.com. Past performance (before and after taxes) is not an indication of future performance.

Annual Total Returns/Class III Shares
Years Ending December 31



Average Annual Total Returns
Periods Ending December 31, 2014

	1 Year	5 Years	10 Years	Incept.
Class III				12/14/12
Return Before Taxes	- 0.49%	N/A	N/A	3.86%
Return After Taxes on Distributions	- 3.61%	N/A	N/A	1.26%
Return After Taxes on Distributions and Sale of Fund Shares	0.61%	N/A	N/A	2.15%
MSCI World Index (returns reflect no deduction for fees or expenses, but are net of withholding tax on dividend reinvestments)	4.94%	N/A	N/A	15.51%
Class IV				12/17/12
Return Before Taxes	- 0.39%	N/A	N/A	3.82%
MSCI World Index (returns reflect no deduction for fees or expenses, but are net of withholding tax on dividend reinvestments)	4.94%	N/A	N/A	15.16%
Class VI				11/15/12
Return Before Taxes	- 0.39%	N/A	N/A	5.11%
MSCI World Index (returns reflect no deduction for fees or expenses, but are net of withholding tax on dividend reinvestments)	4.94%	N/A	N/A	18.00%

Management of the Fund

Investment Adviser: Grantham, Mayo, Van Otterloo & Co. LLC

Investment Team and Senior Members of GMO primarily responsible for portfolio management of the Fund:

Investment Team	Senior Member (Length of Service with Fund)	Title
Global Equity	Thomas Hancock (since the Fund's inception)	Co-Head, Global Equity Team, GMO.
Global Equity	David Cowan (since the Fund's inception)	Co-Head, Global Equity Team, GMO.

Additional information

For important information about purchase and sale of Fund shares, taxes, and financial intermediary compensation, please see "Additional Summary Information About the Funds" on page 144 of this Prospectus.

GMO SPECIAL OPPORTUNITIES FUND

Investment objective

Positive total return.

Fees and expenses

The tables below describe the fees and expenses that you may bear for each class of shares if you buy and hold shares of the Fund.

Shareholder fees

(fees paid directly from your investment)

	Class III	Class IV	Class V	Class VI
Purchase premium (as a percentage of amount invested)	0.50%	0.50%	0.50%	0.50%
Redemption fee (as a percentage of amount redeemed)	0.50%	0.50%	0.50%	0.50%

Annual Fund operating expenses

(expenses that you bear each year as a percentage of the value of your investment)

	Class III	Class IV	Class V	Class VI
Management fee	1.10% ¹	1.10% ¹	1.10% ¹	1.10% ¹
Shareholder service fee	0.15% ¹	0.10% ¹	0.085% ¹	0.055% ¹
Other expenses	0.23% ²	0.23% ²	0.23% ²	0.23% ²
Acquired fund fees and expenses (underlying fund expenses)	0.09% ^{2,3}	0.09% ^{2,3}	0.09% ^{2,3}	0.09% ^{2,3}
Total annual operating expenses	1.57% ²	1.52% ²	1.51% ²	1.48% ²
Expense reimbursement/waiver	(0.02%) ^{1,2}	(0.02%) ^{1,2}	(0.02%) ^{1,2}	(0.02%) ^{1,2}
Total annual operating expenses after expense reimbursement/waiver (Fund and underlying fund expenses)	1.55% ²	1.50% ²	1.49% ²	1.46% ²

¹ Grantham, Mayo, Van Otterloo & Co. LLC ("GMO") has contractually agreed to reimburse the Fund for the portion of its "Specified Operating Expenses" (as defined below) that exceeds 0.10% of the Fund's average daily net assets. "Specified Operating Expenses" means only the following expenses: audit expenses, fund accounting expenses, pricing service expenses, expenses of non-investment related tax services, transfer agency expenses, expenses of non-investment related legal services provided to the Fund by or at the direction of GMO, federal securities law filing expenses, printing expenses, state and federal registration fees and custody expenses. GMO also has contractually agreed to waive or reduce the Fund's management fees and shareholder service fees to the extent necessary to offset the management fees and shareholder service fees paid to GMO that are directly or indirectly borne by the Fund or a class of shares of the Fund as a result of the Fund's direct or indirect investments in other series of GMO Trust ("GMO Funds"). Management fees and shareholder service fees will not be waived below zero. This reimbursement and waiver will continue through at least June 30, 2016, and may not be terminated prior to this date without the action or consent of the Fund's Board of Trustees.

² The amounts represent an estimate based on operating expenses incurred during the Fund's initial fiscal period.

³ These indirect expenses include commissions paid to brokers by the Fund for executing transactions in unaffiliated underlying funds ("transaction fees"). Net fees and expenses of underlying funds (before addition of transaction fees) and indirect transaction fees were approximately 0.02% and 0.07%, respectively.

Example

This example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. The example assumes that you invest \$10,000 in the Fund for the time periods indicated. The example also assumes that your investment has a 5% return each year and that the Fund's operating expenses remain the same as those shown in the table. The one year amounts shown reflect applicable expense reimbursements and waivers noted in the expense table. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

	If you sell your shares				If you do not sell your shares			
	1 Year	3 Years	5 Years	10 Years	1 Year	3 Years	5 Years	10 Years
Class III	\$258	\$598	\$962	\$1,986	\$207	\$543	\$903	\$1,916
Class IV	\$253	\$583	\$936	\$1,932	\$202	\$528	\$877	\$1,862
Class V	\$252	\$578	\$927	\$1,911	\$201	\$523	\$868	\$1,841
Class VI	\$249	\$569	\$911	\$1,878	\$198	\$514	\$852	\$1,808

Portfolio turnover

The Fund pays transaction costs, such as commissions, when it buys and sells securities. A higher portfolio turnover rate may result in higher transaction costs and, when Fund shares are held in a taxable account, higher taxes. These costs, which are not reflected in Annual Fund operating expenses or in the Example, affect the Fund's performance. During the Fund's initial fiscal period (from July 28, 2014 to February 28, 2015), the Fund's portfolio turnover rate (including the accounts of the Fund's wholly-owned subsidiary, GMO Special Opportunities SPC Ltd., and excluding short-term investments) was 64% of the average value of its portfolio.

Principal investment strategies

GMO generally uses a fundamental approach to identify investments that are, in GMO's judgment, trading below their intrinsic value. GMO expects that the Fund's portfolio will consist of a limited number of investments. GMO does not manage the Fund to, or control the Fund's risk relative to, any securities index or securities benchmark. The factors considered and investment methods used by GMO can change over time.

The Fund may have long or short exposure to non-U.S. and U.S. equities (which may include emerging country equities and equities of any market capitalization), non-U.S. and U.S. fixed income instruments (which may include asset-backed securities and other fixed income instruments of any credit quality, including those that are below investment grade (commonly referred to as “junk bonds”), including distressed and defaulted debt securities, and having any maturity or duration), currencies, and, from time to time, other alternative instruments (e.g., instruments that seek exposure to or reduce risks of market volatility).

The Fund is not restricted in its exposure to any particular asset class and at times may be substantially exposed (long or short) to a single asset class (e.g., equities or fixed income securities). In addition, the Fund is not restricted in its exposure (long or short) to any particular market. The Fund may have substantial exposure (long or short) to securities of companies in a particular country or type of country (e.g., emerging countries). The Fund could be subject to material losses from a single investment.

In pursuing its investment objective, the Fund may (but is not obligated to) invest in a wide variety of exchange-traded and over-the-counter (OTC) derivatives, including, without limitation, reverse repurchase agreements, options, futures, swap contracts (such as swaps on securities and securities indices, total return swaps, interest rate swaps, currency swaps, credit default swaps, variance swaps, commodity swaps, inflation swaps, and other types of swaps), swaptions, and foreign currency derivative transactions. In addition, the Fund may lend its portfolio securities. The Fund is not limited in its use of derivatives or in the total notional value of its derivative positions. As a result of its derivative positions, the Fund may have gross investment exposures in excess of its net assets (i.e., the Fund may be leveraged) and therefore is subject to heightened risk of loss. The Fund’s performance can depend substantially, if not primarily, on the performance of assets or indices underlying its derivatives even though it does not own those assets or indices.

The Fund may make investments through a wholly-owned, non-U.S. subsidiary. GMO serves as the investment manager to this subsidiary but will not receive any additional management or other fees for its services.

The Fund also may invest in U.S. Treasury Fund and in money market funds unaffiliated with GMO.

Principal risks of investing in the Fund

The value of the Fund’s shares changes with the value of the Fund’s investments. Many factors can affect this value, and you may lose money by investing in the Fund. References to investments include those held directly by the Fund and indirectly through the Fund’s investments in its wholly-owned subsidiary and in any underlying funds in which it invests. The Fund is a *non-diversified investment company* under the Investment Company Act of 1940, as amended, and therefore a decline in the market price of a particular security held by the Fund may affect the Fund’s performance more than if the Fund were a diversified investment company. The principal risks of investing in the Fund are summarized below. For a more complete discussion of these risks, including those risks to which the Fund is exposed as a result of its investments in its wholly-owned subsidiary and in any underlying funds, see “Description of Principal Risks.”

- **Management and Operational Risk** – The Fund runs the risk that GMO’s investment techniques will fail to produce desired results. The Fund also runs the risk that GMO’s assessment of an investment may be wrong or that deficiencies in GMO’s or another service provider’s internal systems or controls will cause losses for the Fund or impair Fund operations.
- **Market Risk – Equities** – The market prices of equities may decline due to factors affecting the issuing companies, their industries, or the economy and equity markets generally. If the Fund purchases equities for less than their value as determined by GMO, the Fund runs the risk that the market prices of these equities will not appreciate or will decline for a variety of reasons, one of which may be GMO’s incorrect assessment of their intrinsic value. Because the Fund normally does not take temporary defensive positions, declines in stock market prices generally are likely to reduce the net asset value of the Fund’s shares.
- **Credit Risk** – The Fund runs the risk that the issuer or guarantor of a fixed income investment or the obligor of an obligation underlying an asset-backed security will be unable or unwilling to satisfy its obligation to pay principal and interest or otherwise to honor its obligations in a timely manner. The market price of a fixed income investment will normally decline as a result of the issuer’s, guarantor’s, or obligor’s failure to meet its payment obligations. Below investment grade securities have speculative characteristics, and changes in economic conditions or other circumstances are more likely to impair the ability of issuers of those securities to make principal and interest payments than is the case with issuers of investment grade securities. Investments in distressed or defaulted debt securities generally are considered speculative and may involve substantial risks not normally associated with investments in higher quality securities, including adverse business, financial or economic conditions that can lead to payment defaults and insolvency proceedings on the part of their issuers. In particular, distressed or defaulted obligations might be repaid, if at all, only after lengthy workout or bankruptcy proceedings, during which the issuer might not make any interest or other payments, and the Fund may incur additional expenses to seek recovery. If GMO’s assessment of the eventual recovery value of a distressed or defaulted debt security proves incorrect, the Fund may lose a substantial portion or all of its investment or may be required to accept cash or instruments worth less than its original investment.
- **Market Risk – Fixed Income Investments** – The market price of a fixed income investment can decline due to market-related factors, including rising interest rates and widening credit spreads, or decreased liquidity stemming from the market’s uncertainty about the value of a fixed income investment (or class of fixed income investments).

- *Illiquidity Risk* – Low trading volume, lack of a market maker, large position size or legal restrictions may limit or prevent the Fund from selling particular securities or closing derivative positions at desirable prices.
- *Currency Risk* – Fluctuations in exchange rates can adversely affect the market value of the Fund's foreign currency holdings and investments denominated in foreign currencies.
- *Market Disruption and Geopolitical Risk* – Geopolitical and other events may disrupt securities markets and adversely affect global economies and markets. Those events, as well as other changes in non-U.S. and U.S. economic and political conditions, could reduce the value of the Fund's investments.
- *Focused Investment Risk* – Investments focused in a limited number of countries, regions, sectors, industries, or issuers that are subject to the same or similar risk factors and investments whose prices are strongly correlated are subject to greater overall risk than investments that are more diversified.
- *Non-U.S. Investment Risk* – The market prices of many non-U.S. securities fluctuate more than those of U.S. securities. Many non-U.S. securities markets are less stable, smaller, less liquid and less regulated than U.S. securities markets, and the cost of trading in those markets often is higher than in U.S. securities markets. Non-U.S. portfolio transactions generally involve higher commission rates, transfer taxes, and custodial costs than similar transactions in the United States. In addition, the Fund may be subject to non-U.S. taxes, including potentially on a retroactive basis, on (i) capital gains it realizes or dividends, interest, or other amounts it realizes or accrues in respect of non-U.S. investments, (ii) transactions in those investments, and (iii) repatriation of proceeds generated from the sale or other disposition of those investments. Also, the Fund needs a license to invest directly in many non-U.S. securities markets, and the Fund is subject to the risk that it could not invest if its license were terminated or suspended. In some non-U.S. securities markets, prevailing custody and trade settlement practices (e.g., the requirement to pay for securities prior to receipt) expose the Fund to credit and other risks. Further, adverse changes in investment regulations, capital requirements or exchange controls could adversely affect the value of the Fund's investments. These and other risks (e.g., nationalization, expropriation or other confiscation of assets of non-U.S. issuers) tend to be greater for investments in companies tied economically to emerging countries, the economies of which may be predominantly based on only a few industries or dependent on revenues from particular commodities and which often are more volatile than the economies of developed countries.
- *Large Shareholder Risk* – To the extent that a large number of shares of the Fund is held by a single shareholder (e.g., an institutional investor or another GMO Fund) or a group of shareholders with a common investment strategy (e.g., GMO asset allocation accounts), the Fund is subject to the risk that a redemption by those shareholders of all or a large portion of their Fund shares will cause the Fund to sell securities at disadvantageous prices or otherwise will disrupt the Fund's operations.
- *Derivatives and Short Sales Risk* – The use of derivatives involves the risk that their value may not change as expected relative to changes in the value of the underlying assets, rates or indices. Derivatives also present other risks, including market risk, illiquidity risk, currency risk, credit risk, and counterparty risk. The market price of an option is affected by many factors, including changes in the market prices or dividend rates of underlying securities (or in the case of indices, the securities in such indices); the time remaining before expiration; changes in interest rates or exchange rates; and changes in the actual or perceived volatility of the relevant stock market and underlying securities. The Fund may create short investment exposure by taking a derivative position in which the value of the derivative moves in the opposite direction from the price of an underlying investment, pool of investments, index or currency. The risks of loss associated with derivatives that provide short investment exposure and short sales of securities are theoretically unlimited.
- *Leveraging Risk* – The use of reverse repurchase agreements and other derivatives and securities lending creates leverage. Leverage increases the Fund's losses when the value of its investments (including derivatives) declines.
- *Counterparty Risk* – The Fund runs the risk that the counterparty to a derivatives contract, a clearing member used by the Fund to hold a cleared derivatives contract, or a borrower of the Fund's securities will be unable or unwilling to make timely settlement payments, return the Fund's margin, or otherwise honor its obligations.
- *Commodities Risk* – Commodities prices can be extremely volatile, and exposure to commodities can cause the net asset value of the Fund's shares to decline or fluctuate in a rapid and unpredictable manner.
- *Market Risk – Asset-Backed Securities* – The market price of fixed income investments with complex structures, such as asset-backed securities, can decline due to a variety of factors, including market uncertainty about their credit quality and the reliability of their payment streams. Payment streams associated with asset-backed securities held by the Fund depend on many factors (e.g., the cash flow generated by the assets backing the securities, the deal structure, the credit worthiness of any credit-support provider, and the reliability of various other service providers with access to the payment stream), and a problem in any one of these factors can lead to a reduction in the payment stream GMO expected the Fund to receive at the time the Fund purchased the asset-backed security.
- *Smaller Company Risk* – Smaller companies may have limited product lines, markets, or financial resources, may lack the competitive strength of larger companies, may have inexperienced managers or may depend on a few key employees. The securities of companies with smaller market capitalizations often are less widely held and trade less frequently and in lesser quantities, and their market prices often fluctuate more, than the securities of companies with larger market capitalizations.

- *Merger Arbitrage Risk* – If the Fund purchases securities in anticipation of a proposed merger, exchange offer, tender offer, or other similar transaction, and that transaction later appears unlikely to be consummated or, in fact, is not consummated or is delayed, the market prices of the securities purchased by the Fund may decline sharply, resulting in losses to the Fund. The risk/reward payout of merger arbitrage strategies typically is asymmetric – the losses in failed transactions often far exceeding the gains in successful transactions. Merger arbitrage strategies are subject to the risk of overall market movements, and the Fund may experience losses even if a transaction is consummated.
- *Fund of Funds Risk* – The Fund is indirectly exposed to all of the risks of an investment in its wholly-owned subsidiary and in any underlying funds in which it invests, including the risk that its wholly-owned subsidiary or those underlying funds will not perform as expected.

Performance

Because the Fund had not yet completed a full calendar year of operations as of the date of this Prospectus, performance information for the Fund is not included.

Management of the Fund

Investment Adviser: Grantham, Mayo, Van Otterloo & Co. LLC

Investment Team and Senior Members of GMO primarily responsible for portfolio management of the Fund:

Investment Team	Senior Member (Length of Service with Fund)	Title
Asset Allocation	Ben Inker (since the Fund's inception)	Co-Head, Asset Allocation Team and Co-Head, Developed Fixed Income Team, GMO.
Asset Allocation	Sam Wilderman (since the Fund's inception)	Co-Head, Asset Allocation Team and Co-Head, Developed Fixed Income Team, GMO.
Asset Allocation	Chris Hudson (since the Fund's inception)	Portfolio Manager, Asset Allocation Team, GMO.

Additional information

For important information about purchase and sale of Fund shares, taxes, and financial intermediary compensation, please see "Additional Summary Information About the Funds" on page 144 of this Prospectus.

GMO STRATEGIC OPPORTUNITIES ALLOCATION FUND

Investment objective

Total return greater than that of its benchmark, the GMO Strategic Opportunities Allocation Index, an internally maintained composite index computed by GMO, consisting of 75% MSCI World Index (MSCI Standard Index Series) and 25% Barclays U.S. Aggregate Index.

Fees and expenses

The tables below describe the fees and expenses that you may bear if you buy and hold shares of the Fund.

Shareholder fees

(fees paid directly from your investment)

	Class III
Purchase premium (as a percentage of amount invested)	0.14%
Redemption fee (as a percentage of amount redeemed)	0.14%

Annual Fund operating expenses

(expenses that you bear each year as a percentage of the value of your investment)

	Class III
Management fee	0.00%
Shareholder service fee	0.00%
Other expenses	0.01%
Acquired fund fees and expenses (underlying fund expenses)	0.56% ¹
Total annual operating expenses	0.57%
Expense reimbursement	(0.01%) ²
Total annual operating expenses after expense reimbursement (Fund and underlying fund expenses)	0.56%

¹ These indirect expenses include interest expense that may be incurred by certain underlying funds and also include, to the extent applicable, purchase premiums and redemption fees ("transaction fees") charged by certain underlying funds. Net fees and expenses of underlying funds (before addition of interest expense and transaction fees), indirect interest expense, and indirect transaction fees were approximately 0.50%, less than 0.01%, and 0.06%, respectively.

² Grantham, Mayo, Van Otterloo & Co. LLC ("GMO") has contractually agreed to reimburse the Fund for the following expenses: audit expenses, fund accounting expenses, pricing service expenses, expenses of non-investment related tax services, transfer agency expenses, expenses of non-investment related legal services provided to the Fund by or at the direction of GMO, federal securities law filing expenses, printing expenses, state and federal registration fees and custody expenses. This reimbursement will continue through at least June 30, 2016, and may not be terminated prior to this date without the action or consent of the Fund's Board of Trustees.

Example

This example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. The example assumes that you invest \$10,000 in the Fund for the time periods indicated. The example also assumes that your investment has a 5% return each year and that the Fund's operating expenses remain the same as those shown in the table. The one year amounts shown reflect the expense reimbursement noted in the expense table. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

	If you sell your shares				If you do not sell your shares			
	1 Year	3 Years	5 Years	10 Years	1 Year	3 Years	5 Years	10 Years
Class III	\$86	\$218	\$362	\$781	\$71	\$202	\$344	\$759

Portfolio turnover

The Fund pays transaction costs, such as commissions, when it buys and sells securities. A higher portfolio turnover rate may result in higher transaction costs and, when Fund shares are held in a taxable account, higher taxes. These costs, which are not reflected in Annual Fund operating expenses or in the Example, affect the Fund's performance. During its fiscal year ended February 28, 2015, the Fund's portfolio turnover rate (excluding short-term investments) was 30% of the average value of its portfolio.

Principal investment strategies

GMO pursues investment strategies for the Fund that are intended to complement the strategies it is pursuing in other accounts managed by GMO. Accordingly, the Fund is not a standalone investment.

The Fund is a fund of funds and invests primarily in shares of other series of GMO Trust (collectively, the "underlying Funds"), which may include the Equity Funds, the Fixed Income Funds, and the Implementation Funds, as well as GMO High Quality Short-Duration Bond Fund and GMO Systematic Global Macro Opportunity Fund, each a series of GMO Trust not offered by this Prospectus (see "Additional Information About the Funds' Investment Strategies, Risks, and Expenses – Asset Allocation Funds" and "Investment in Other GMO Funds"). The Fund also may invest directly in securities and derivatives.

The Fund is permitted to invest in any asset class, including, for example, U.S. and non-U.S. equities (including emerging country equities), U.S. and non-U.S. fixed income securities (including emerging country debt securities) and commodities. The term “equities” refers to direct and indirect investments in common and preferred stocks and other stock-related securities, such as convertible securities, depositary receipts, and exchange-traded equity real estate investment trusts (REITs) and income trusts.

GMO uses its multi-year forecasts of returns among asset classes, together with its assessment of the relative risks of such asset classes, to select the underlying Funds in which the Fund invests and to decide how much to invest in each. An important component of those forecasts is the expectation that valuations ultimately revert to their historical mean (average). GMO changes the Fund’s holdings of the underlying Funds in response to changes in GMO’s investment outlook and market valuations and may use redemptions or purchases of Fund shares to rebalance the Fund’s investments. The factors considered and investment methods used by GMO can change over time.

The Fund also may invest in money market funds unaffiliated with GMO.

Principal risks of investing in the Fund

The value of the Fund’s shares changes with the value of the Fund’s investments. Many factors can affect this value, and you may lose money by investing in the Fund. References to investments include those held directly by the Fund and indirectly through the Fund’s investments in the underlying Funds. Some of the underlying Funds are *non-diversified investment companies* under the Investment Company Act of 1940, as amended, and therefore a decline in the market price of a particular security held by those underlying Funds may affect their performance more than if they were diversified investment companies. The principal risks of investing in the Fund are summarized below. For a more complete discussion of these risks, including those risks to which the Fund is exposed as a result of its investments in the underlying Funds, see “Description of Principal Risks.”

- *Management and Operational Risk* – The Fund runs the risk that GMO’s investment techniques will fail to produce desired results. GMO often uses quantitative analyses and models as part of its investment process. All models support portfolio decisions but are not necessarily predictive of future market events. These analyses and models also make simplifying assumptions that may limit their effectiveness. In addition, there are limitations (e.g., inaccuracies, staleness) on the data available for analysis or manipulation by the models. Any of those assumptions and/or limitations could adversely affect the Fund’s performance. The Fund also runs the risk that GMO’s assessment of an investment may be wrong or that deficiencies in GMO’s or another service provider’s internal systems or controls will cause losses for the Fund or impair Fund operations.
- *Market Risk – Equities* – The market prices of equities may decline due to factors affecting the issuing companies, their industries, or the economy and equity markets generally. If an underlying Fund purchases equities for less than their value as determined by GMO, the Fund runs the risk that the market prices of these equities will not appreciate or will decline for a variety of reasons, one of which may be GMO’s incorrect assessment of their intrinsic value. An underlying Fund also may purchase equities that typically trade at higher multiples of current earnings than other securities, and the market prices of these equities often are more sensitive to changes in future earnings expectations than the market prices of equities trading at lower multiples. Declines in stock market prices generally are likely to reduce the net asset value of the Fund’s shares.
- *Non-U.S. Investment Risk* – The market prices of many non-U.S. securities fluctuate more than those of U.S. securities. Many non-U.S. securities markets are less stable, smaller, less liquid, and less regulated than U.S. securities markets, and the cost of trading in those markets often is higher than in U.S. securities markets. Non-U.S. portfolio transactions generally involve higher commission rates, transfer taxes, and custodial costs than similar transactions in the United States. In addition, the Fund may be subject to non-U.S. taxes, including potentially on a retroactive basis, on (i) capital gains it realizes or dividends, interest, or other amounts it realizes or accrues in respect of non-U.S. investments, (ii) transactions in those investments, and (iii) repatriation of proceeds generated from the sale or other disposition of those investments. Also, the Fund needs a license to invest directly in many non-U.S. securities markets, and the Fund is subject to the risk that it could not invest if its license were terminated or suspended. In some non-U.S. securities markets, prevailing custody and trade settlement practices (e.g., the requirement to pay for securities prior to receipt) expose the Fund to credit and other risks. Further, adverse changes in investment regulations, capital requirements or exchange controls could adversely affect the value of the Fund’s investments. These and other risks (e.g., nationalization, expropriation or other confiscation of assets of non-U.S. issuers) tend to be greater for investments in companies tied economically to emerging countries, the economies of which may be predominantly based on only a few industries or dependent on revenues from particular commodities and which often are more volatile than the economies of developed countries.
- *Market Risk – Fixed Income Investments* – The market price of a fixed income investment can decline due to market-related factors, including rising interest rates and widening credit spreads, or decreased liquidity stemming from the market’s uncertainty about the value of a fixed income investment (or class of fixed income investments).
- *Derivatives and Short Sales Risk* – The use of derivatives involves the risk that their value may not change as expected relative to changes in the value of the underlying assets, rates, or indices. Derivatives also present other risks, including market risk, illiquidity risk, currency risk, credit risk, and counterparty risk. The market price of an option is affected by many factors, including changes in the market prices or dividend rates of underlying securities (or in the case of indices, the securities in such indices); the time remaining

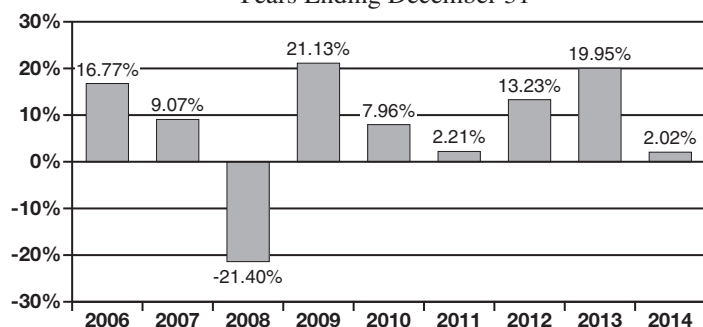
before expiration; changes in interest rates or exchange rates; and changes in the actual or perceived volatility of the relevant stock market and underlying securities. In addition, the risks of loss associated with derivatives that provide short investment exposure and short sales of securities are theoretically unlimited.

- *Credit Risk* – The Fund runs the risk that the issuer or guarantor of a fixed income investment or the obligor of an obligation underlying an asset-backed security will be unable or unwilling to satisfy its obligation to pay principal and interest or otherwise to honor its obligations in a timely manner. The market price of a fixed income investment will normally decline as a result of the issuer's, guarantor's, or obligor's failure to meet its payment obligations. Below investment grade securities have speculative characteristics, and changes in economic conditions or other circumstances are more likely to impair the ability of issuers of those securities to make principal and interest payments than is the case with issuers of investment grade securities.
- *Smaller Company Risk* – Smaller companies may have limited product lines, markets, or financial resources, may lack the competitive strength of larger companies, may have inexperienced managers or may depend on a few key employees. The securities of companies with smaller market capitalizations often are less widely held and trade less frequently and in lesser quantities, and their market prices often fluctuate more, than the securities of companies with larger market capitalizations.
- *Currency Risk* – Fluctuations in exchange rates can adversely affect the market value of foreign currency holdings and investments denominated in foreign currencies.
- *Fund of Funds Risk* – The Fund is indirectly exposed to all of the risks of an investment in the underlying Funds in which it invests, including the risk that those underlying Funds will not perform as expected. Because the Fund bears the fees and expenses of the underlying Funds in which it invests, a reallocation of the Fund's investments to underlying Funds with higher fees or expenses will increase the Fund's total expenses. The fees and expenses associated with an investment in the Fund are less predictable than those associated with an investment in funds that charge a fixed management fee.
- *Commodities Risk* – Commodities prices can be extremely volatile, and exposure to commodities can cause the net asset value of the Fund's shares to decline or fluctuate in a rapid and unpredictable manner.
- *Merger Arbitrage Risk* – If the Fund purchases securities in anticipation of a proposed merger, exchange offer, tender offer, or other similar transaction, and that transaction later appears unlikely to be consummated or, in fact, is not consummated or is delayed, the market prices of the securities purchased by the Fund may decline sharply, resulting in losses to the Fund. The risk/reward payout of merger arbitrage strategies typically is asymmetric – the losses in failed transactions often far exceeding the gains in successful transactions. Merger arbitrage strategies are subject to the risk of overall market movements, and the Fund may experience losses even if a transaction is consummated.
- *Illiquidity Risk* – Low trading volume, lack of a market maker, large position size, or legal restrictions may limit or prevent the Fund or an underlying Fund from selling particular securities or closing derivative positions at desirable prices.
- *Leveraging Risk* – The use of reverse repurchase agreements and other derivatives and securities lending creates leverage. Leverage increases the Fund's losses when the value of its investments (including derivatives) declines.
- *Counterparty Risk* – The Fund runs the risk that the counterparty to a derivatives contract, a clearing member used by the Fund to hold a cleared derivatives contract, or a borrower of the Fund's securities will be unable or unwilling to make timely settlement payments, return the Fund's margin or otherwise honor its obligations.
- *Market Disruption and Geopolitical Risk* – Geopolitical and other events may disrupt securities markets and adversely affect global economies and markets. Those events, as well as other changes in non-U.S. and U.S. economic and political conditions, could adversely affect the value of the Fund's investments.
- *Market Risk – Asset-Backed Securities* – The market price of fixed income investments with complex structures, such as asset-backed securities, can decline due to a variety of factors, including market uncertainty about their credit quality and the reliability of their payment streams. Payment streams associated with asset-backed securities held by the Fund depend on many factors (e.g., the cash flow generated by the assets backing the securities, the deal structure, the credit worthiness of any credit-support provider, and the reliability of various other service providers with access to the payment stream), and a problem in any one of these factors can lead to a reduction in the payment stream GMO expected the Fund to receive at the time the Fund purchased the asset-backed security.
- *Focused Investment Risk* – Investments focused in countries, regions, sectors, industries, or issuers that are subject to the same or similar risk factors and investments whose prices are strongly correlated are subject to greater overall risk than investments that are more diversified.
- *Large Shareholder Risk* – To the extent that a large number of shares of the Fund is held by a single shareholder (e.g., an institutional investor), the Fund is subject to the risk that a redemption by that shareholder of all or a large portion of its Fund shares will cause the Fund to sell securities at disadvantageous prices or otherwise will disrupt the Fund's operations.

Performance

The bar chart and table below provide some indication of the risks of investing in the Fund by showing changes in the Fund's annual total returns from year to year for the periods indicated and by comparing the Fund's average annual total returns for different calendar periods with those of broad-based indices and the Fund's benchmark (which is a composite index computed by GMO). Purchase premiums and redemption fees are not reflected in the bar chart, but are reflected in the table; as a result, the returns in the table are lower than the returns in the bar chart. Returns in the table reflect current purchase premiums and redemption fees. After-tax returns are calculated using the historical highest individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Actual after-tax returns depend on your tax situation and may differ from those shown. After-tax returns shown are not relevant if you are tax-exempt or if you hold your Fund shares through tax-deferred arrangements (such as a 401(k) plan or individual retirement account). Updated performance information for the Fund is available at www.gmo.com. Past performance (before and after taxes) is not an indication of future performance.

Annual Total Returns/Class III Shares
Years Ending December 31



Highest Quarter: 11.73% (2Q2009)
Lowest Quarter: -10.19% (4Q2008)
Year-to-Date (as of 3/31/15): 1.29%

Average Annual Total Returns
Periods Ending December 31, 2014

	1 Year	5 Years	10 Years	Incept.
Class III				5/31/05
Return Before Taxes	1.74%	8.80%	N/A	7.67%
Return After Taxes on Distributions	-1.26%	7.22%	N/A	5.93%
Return After Taxes on Distributions and Sale of Fund Shares	3.21%	6.90%	N/A	5.88%
MSCI World Index (returns reflect no deduction for fees or expenses, but are net of withholding tax on dividend reinvestments)	4.94%	10.20%	N/A	6.47%
Barclays U.S. Aggregate Index (reflects no deduction for fees, expenses, or taxes)	5.97%	4.45%	N/A	4.71%
GMO Strategic Opportunities Allocation Index (Fund benchmark)	5.25%	8.97%	N/A	6.30%

Management of the Fund

Investment Adviser: Grantham, Mayo, Van Otterloo & Co. LLC

Investment Team and Senior Members of GMO primarily responsible for portfolio management of the Fund:

Investment Team	Senior Member (Length of Service with Fund)	Title
Asset Allocation	Ben Inker (since the Fund's inception)	Co-Head, Asset Allocation Team and Co-Head, Developed Fixed Income Team, GMO.
Asset Allocation	Sam Wilderman (since 2012)	Co-Head, Asset Allocation Team and Co-Head, Developed Fixed Income Team, GMO.

Additional information

For important information about purchase and sale of Fund shares, taxes, and financial intermediary compensation, please see "Additional Summary Information About the Funds" on page 144 of this Prospectus.

Investment objective

Total return in excess of that of its benchmark, the MSCI Taiwan Index.

Fees and expenses

The tables below describe the fees and expenses that you may bear if you buy and hold shares of the Fund.

Shareholder fees

(fees paid directly from your investment)

	Class III
Purchase premium (as a percentage of amount invested)	0.15%
Redemption fee (as a percentage of amount redeemed)	0.45%

Annual Fund operating expenses

(expenses that you bear each year as a percentage of the value of your investment)

	Class III
Management fee	0.81% ¹
Shareholder service fee	0.15% ¹
Other expenses	0.31%
Acquired fund fees and expenses (underlying fund expenses)	0.01% ²
Total annual operating expenses (Fund and underlying fund expenses)	1.28%

¹ *Grantham, Mayo, Van Otterloo & Co. LLC ("GMO") has contractually agreed to waive or reduce the Fund's management fees and shareholder service fees to the extent necessary to offset the management fees and shareholder service fees paid to GMO that are directly or indirectly borne by the Fund as a result of the Fund's direct or indirect investments in other series of GMO Trust ("GMO Funds"). Management fees and shareholder service fees will not be waived below zero. This waiver will continue through at least June 30, 2016, and may not be terminated prior to this date without the action or consent of the Fund's Board of Trustees.*

² *These indirect expenses include commissions paid to brokers by the Fund for executing transactions in unaffiliated underlying funds ("transaction fees"). Net fees and expenses of underlying funds (before addition of transaction fees) and indirect transaction fees were approximately less than 0.01% and 0.01%, respectively.*

Example

This example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. The example assumes that you invest \$10,000 in the Fund for the time periods indicated. The example also assumes that your investment has a 5% return each year and that the Fund's operating expenses remain the same as those shown in the table. The one year amounts shown reflect the expense waiver noted in the expense table. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

	If you sell your shares				If you do not sell your shares			
	1 Year	3 Years	5 Years	10 Years	1 Year	3 Years	5 Years	10 Years
Class III	\$192	\$470	\$770	\$1,623	\$145	\$420	\$716	\$1,558

Portfolio turnover

The Fund pays transaction costs, such as commissions, when it buys and sells securities. A higher portfolio turnover rate may result in higher transaction costs and, when Fund shares are held in a taxable account, higher taxes. These costs, which are not reflected in Annual Fund operating expenses or in the Example, affect the Fund's performance. During its fiscal year ended February 28, 2015, the Fund's portfolio turnover rate (excluding short-term investments) was 134% of the average value of its portfolio.

Principal investment strategies

The Fund typically invests directly and indirectly (e.g., through underlying funds or derivatives) in equities of companies doing business in or otherwise tied economically to Taiwan. The term "equities" refers to direct and indirect investments in common and preferred stocks and other stock-related securities, such as convertible securities, depositary receipts, and exchange-traded equity real estate investment trusts (REITs) and income trusts. Under normal circumstances, the Fund invests directly and indirectly at least 80% of its assets in investments tied economically to Taiwan (see "Name Policies").

GMO uses proprietary quantitative techniques and fundamental analysis to evaluate and select sectors and equity investments based on factors including, but not limited to, valuation and macroeconomic, GMO's assessment of a sector's fundamentals as well as a company's positioning relative to its competitors. The process begins with sector allocation and then focuses on the selection of individual companies. In constructing the Fund's portfolio, GMO weighs a number of factors, including the trade-off among forecasted returns, risk relative to the benchmark, transaction costs, and liquidity. GMO also adjusts the Fund's portfolio for factors such as position size, market capitalization, and exposure to particular industries or sectors. The factors considered and investment methods used by GMO can change over time.

The Fund may invest a significant portion of its assets in securities of issuers in industries that are subject to the same or similar risk factors or whose security prices have strong correlations (e.g., issuers in different industries within broad sectors, such as technology or financial services).

As an alternative to investing directly in equities, the Fund may invest in exchange-traded and over-the-counter (OTC) derivatives and exchange-traded funds (ETFs). The Fund also may invest in derivatives and ETFs: (i) in an attempt to reduce investment exposures (which may result in a reduction below zero); (ii) in an attempt to adjust elements of the Fund's investment exposure; and (iii) as a substitute for securities lending. Derivatives used may include options, futures, warrants, swap contracts, and reverse repurchase agreements. The Fund's foreign currency exposure may differ from the currency exposure represented by its equity investments.

In addition, the Fund may overweight and underweight its positions in particular currencies relative to its benchmark. In addition, the Fund may lend its portfolio securities.

The Fund also may invest in U.S. Treasury Fund and in money market funds unaffiliated with GMO.

Principal risks of investing in the Fund

The value of the Fund's shares changes with the value of the Fund's investments. Many factors can affect this value, and you may lose money by investing in the Fund. The Fund is a *non-diversified investment company* under the Investment Company Act of 1940, as amended, and therefore a decline in the market price of a particular security held by the Fund may affect the Fund's performance more than if the Fund were a diversified investment company. The principal risks of investing in the Fund are summarized below. For a more complete discussion of these risks, see "Description of Principal Risks."

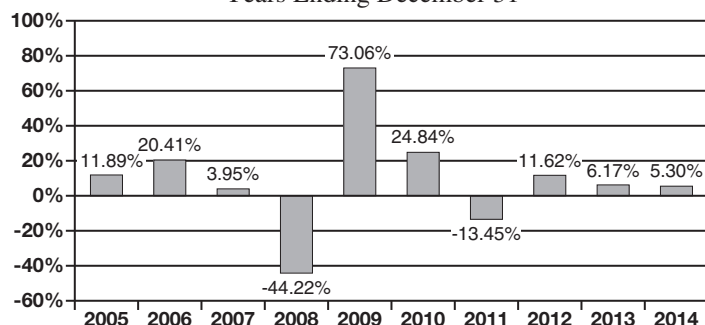
- **Market Risk – Equities** – The market prices of equities may decline due to factors affecting the issuing companies, their industries, or the economy and equity markets generally. If the Fund purchases equities for less than their value as determined by GMO, the Fund runs the risk that the market prices of these equities will not appreciate or will decline for a variety of reasons, one of which may be GMO's incorrect assessment of their intrinsic value. The Fund also may purchase equities that typically trade at higher multiples of current earnings than other securities, and the market prices of these equities often are more sensitive to changes in future earnings expectations than the market prices of equities trading at lower multiples. Declines in stock market prices generally are likely to reduce the net asset value of the Fund's shares.
- **Non-U.S. Investment Risk** – The market prices of many non-U.S. securities fluctuate more than those of U.S. securities. Many non-U.S. securities markets are less stable, smaller, less liquid, and less regulated than U.S. securities markets, and the cost of trading in those markets often is higher than in U.S. securities markets. Non-U.S. portfolio transactions generally involve higher commission rates, transfer taxes, and custodial costs than similar transactions in the United States. In addition, the Fund may be subject to non-U.S. taxes, including potentially on a retroactive basis, on (i) capital gains it realizes or dividends, interest, or other amounts it realizes or accrues in respect of non-U.S. investments, (ii) transactions in those investments, and (iii) repatriation of proceeds generated from the sale or other disposition of those investments. Also, the Fund needs a license to invest directly in many non-U.S. securities markets, and the Fund is subject to the risk that it could not invest if its license were terminated or suspended. In some non-U.S. securities markets, prevailing custody and trade settlement practices (e.g., the requirement to pay for securities prior to receipt) expose the Fund to credit and other risks. Further, adverse changes in investment regulations, capital requirements or exchange controls could adversely affect the value of the Fund's investments. These and other risks (e.g., nationalization, expropriation or other confiscation of assets of non-U.S. issuers) tend to be greater for investments in companies tied economically to emerging countries, the economies of which may be predominantly based on only a few industries or dependent on revenues from particular commodities and which often are more volatile than the economies of developed countries. Certain characteristics of Taiwan's economy and geographic location also subject the Fund to non-U.S. investment risks. For example, Taiwan is a small island with few raw material resources and limited land area and thus relies heavily on imports for its commodity needs. Any fluctuations or shortages in the commodity markets could have a negative impact on the Taiwanese economy. Also, rising labor costs and increasing environmental consciousness have led some labor-intensive industries to relocate to countries with cheaper work forces, and continued labor outsourcing may adversely affect the Taiwanese economy. Taiwan's economy also is intricately linked with economies of Asian countries that have experienced over-extensions of credit, frequent and pronounced currency fluctuations, currency devaluations, currency repatriation, rising unemployment, and fluctuations in inflation. Currency devaluations in one country in the region can have a significant effect on all countries in the region. Political and social unrest in Asian countries could cause further economic and market uncertainty in Taiwan. In particular, the Taiwanese economy is dependent on the economies of Japan and China, and also the United States, and a reduction in purchases by any of them of Taiwanese products and services or negative changes in their economies would likely have an adverse effect on the Taiwanese economy. Taiwan's geographic proximity to China and Taiwan's history of political contention with China have resulted in ongoing tensions with China, including the risk of war with China. These tensions may materially affect the Taiwanese economy and securities markets. Any of these risks, should they occur, could materially reduce the value of an investment in Taiwan Fund.
- **Currency Risk** – Fluctuations in exchange rates can adversely affect the market value of the Fund's foreign currency holdings and investments denominated in foreign currencies.

- *Management and Operational Risk* – The Fund runs the risk that GMO’s investment techniques will fail to produce desired results. GMO often uses quantitative analyses and models as part of its investment process. All models support portfolio decisions but are not necessarily predictive of future market events. These analyses and models also make simplifying assumptions that may limit their effectiveness. In addition, there are limitations (e.g., inaccuracies, staleness) on the data available for analysis or manipulation by the models. Any of those assumptions and/or limitations could adversely affect the Fund’s performance. The Fund also runs the risk that GMO’s assessment of an investment may be wrong or that deficiencies in GMO’s or another service provider’s internal systems or controls will cause losses for the Fund or impair Fund operations.
- *Illiquidity Risk* – Low trading volume, lack of a market maker, large position size, or legal restrictions may limit or prevent the Fund from selling particular securities or closing derivative positions at desirable prices.
- *Market Disruption and Geopolitical Risk* – Geopolitical and other events may disrupt securities markets and adversely affect global economies and markets. Those events, as well as other changes in non-U.S. and U.S. economic and political conditions, could adversely affect the value of the Fund’s investments.
- *Focused Investment Risk* – Investments focused in countries, regions, sectors, industries, or issuers that are subject to the same or similar risk factors and investments whose prices are strongly correlated, such as the Fund’s investments tied economically to Taiwan, are subject to greater overall risk than investments that are more diversified.
- *Large Shareholder Risk* – To the extent that a large number of shares of the Fund is held by a single shareholder (e.g., an institutional investor or another GMO Fund) or a group of shareholders with a common investment strategy (e.g., GMO asset allocation accounts), the Fund is subject to the risk that a redemption by those shareholders of all or a large portion of their Fund shares will cause the Fund to sell securities at disadvantageous prices or otherwise will disrupt the Fund’s operations.
- *Smaller Company Risk* – Smaller companies may have limited product lines, markets, or financial resources, may lack the competitive strength of larger companies, may have inexperienced managers or may depend on a few key employees. The securities of companies with smaller market capitalizations often are less widely held and trade less frequently and in lesser quantities, and their market prices often fluctuate more, than the securities of companies with larger market capitalizations.
- *Counterparty Risk* – The Fund runs the risk that the counterparty to a derivatives contract, a clearing member used by the Fund to hold a cleared derivatives contract, or a borrower of the Fund’s securities will be unable or unwilling to make timely settlement payments, return the Fund’s margin or otherwise honor its obligations.
- *Derivatives and Short Sales Risk* – The use of derivatives involves the risk that their value may not change as expected relative to changes in the value of the underlying assets, rates, or indices. Derivatives also present other risks, including market risk, illiquidity risk, currency risk, and counterparty risk. In addition, the risks of loss associated with derivatives that provide short investment exposure and short sales of securities are theoretically unlimited.
- *Fund of Funds Risk* – The Fund is indirectly exposed to all of the risks of an investment in the underlying funds in which it invests (including ETFs), including the risk that those underlying funds will not perform as expected.
- *Leveraging Risk* – The use of reverse repurchase agreements and other derivatives and securities lending creates leverage. Leverage increases the Fund’s losses when the value of its investments (including derivatives) declines.

Performance

The bar chart and table below provide some indication of the risks of investing in the Fund by showing changes in the Fund's annual total returns from year to year for the periods indicated and by comparing the Fund's average annual total returns for different calendar periods with those of a broad-based index. Purchase premiums and redemption fees are not reflected in the bar chart, but are reflected in the table; as a result, the returns in the table are lower than the returns in the bar chart. Returns in the table reflect current purchase premiums and redemption fees. After-tax returns are calculated using the historical highest individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Actual after-tax returns depend on your tax situation and may differ from those shown. After-tax returns shown are not relevant if you are tax-exempt or if you hold your Fund shares through tax-deferred arrangements (such as a 401(k) plan or individual retirement account). Updated performance information for the Fund is available at www.gmo.com. Past performance (before and after taxes) is not an indication of future performance.

Annual Total Returns/Class III Shares
Years Ending December 31



Highest Quarter: 22.85% (3Q2010)
Lowest Quarter: -23.74% (4Q2008)
Year-to-Date (as of 3/31/15): 2.32%

Average Annual Total Returns
Periods Ending December 31, 2014

	1 Year	5 Years	10 Years	Incept.
Class III				10/4/02
Return Before Taxes	4.67%	6.03%	6.12%	8.03%
Return After Taxes on Distributions^a	3.87%	5.54%	4.94%	6.89%
Return After Taxes on Distributions and Sale of Fund Shares^a	3.11%	5.02%	5.18%	6.81%
MSCI Taiwan Index (returns reflect no deduction for fees or expenses, but are net of withholding tax on dividend reinvestments)	9.36%	6.05%	5.94%	9.53%

^a For periods prior to the public offering of the Fund's shares, which began on October 29, 2009, the Fund's after-tax returns reflect dividends that included certain non-deductible investment expenses.

Management of the Fund

Investment Adviser: Grantham, Mayo, Van Otterloo & Co. LLC

Investment Team and Senior Members of GMO primarily responsible for portfolio management of the Fund:

Investment Team	Senior Member (Length of Service with Fund)	Title
Emerging Markets	Arjun Divecha (since the Fund's inception)	Head, Emerging Markets Team, GMO.
Emerging Markets	Warren Chiang (since June 2015)	Portfolio Manager, Emerging Markets Team, GMO.

Additional information

For important information about purchase and sale of Fund shares, taxes, and financial intermediary compensation, please see "Additional Summary Information About the Funds" on page 144 of this Prospectus.

Investment objective

Liquidity and safety of principal with current income as a secondary objective.

Fees and expenses

The table below describes the fees and expenses that you may bear if you buy and hold shares of the Fund.

Annual Fund operating expenses

(expenses that you bear each year as a percentage of the value of your investment)

Management fee	0.08% ¹
Other expenses	0.02%
Total annual operating expenses	0.10%
Expense reimbursement/waiver	(0.02%) ¹
Total annual operating expenses after expense reimbursement/waiver	0.08%

¹ *Grantham, Mayo, Van Otterloo & Co. LLC ("GMO") has contractually agreed to reimburse the Fund for the following expenses: audit expenses, fund accounting expenses, pricing service expenses, expenses of non-investment related tax services, transfer agency expenses, expenses of non-investment related legal services provided to the Fund by or at the direction of GMO, federal securities law filing expenses, printing expenses, state and federal registration fees and custody expenses. GMO also has contractually agreed to waive or reduce the Fund's management fees to the extent necessary to offset the management fees paid to GMO that are directly or indirectly borne by the Fund as a result of the Fund's direct or indirect investments in other series of GMO Trust ("GMO Funds"). Management fees will not be waived below zero. This reimbursement and waiver will continue through at least June 30, 2016, and may not be terminated prior to this date without the action or consent of the Fund's Board of Trustees.*

Example

This example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. The example assumes that you invest \$10,000 in the Fund for the time periods indicated, regardless of whether or not you redeem your shares at the end of such periods. The example also assumes that your investment has a 5% return each year and that the Fund's operating expenses remain the same as those shown in the table. The one year amount shown reflects the expense reimbursement and waiver noted in the expense table. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

	<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>	<u>10 Years</u>
GMO U.S. Treasury Fund	\$8	\$30	\$54	\$126

Portfolio turnover

The Fund pays transaction costs, such as commissions, when it buys and sells securities. A higher portfolio turnover rate may result in higher transaction costs and, when Fund shares are held in a taxable account, higher taxes. These costs, which are not reflected in Annual Fund operating expenses or in the Example, affect the Fund's performance. During its fiscal year ended February 28, 2015, the Fund's portfolio turnover rate (excluding short-term investments) was 0% of the average value of its portfolio.

Principal investment strategies

GMO pursues investment strategies for the Fund that are intended to complement the strategies it is pursuing in other funds or accounts managed by GMO. Accordingly, the Fund is not a standalone investment.

Under normal circumstances, the Fund invests at least 80% of its assets in Direct U.S. Treasury Obligations and repurchase agreements collateralized by these Obligations (see "Name Policies"). "Direct U.S. Treasury Obligations" include U.S. Treasury bills, bonds and notes and other securities issued by the U.S. Treasury, as well as Separately Traded Registered Interest and Principal Securities (STRIPS) and other zero-coupon securities. GMO normally seeks to maintain an interest rate duration of one year or less for the Fund's portfolio. For an additional discussion of duration, see "Additional Information About the Funds' Investment Strategies, Risks, and Expenses – Bond Funds – Duration."

The Fund also may enter into repurchase agreements, under which the Fund purchases a security backed by the full faith and credit of the U.S. government from a seller who simultaneously commits to repurchase, on an agreed upon date in the future, the security from the Fund at the original purchase price plus an agreed upon amount representing the original purchase price plus interest. The counterparties in repurchase agreements are typically brokers and banks, and the safety of the arrangement depends on, among other things, the Fund's having an interest in the security that it can realize in the event of the insolvency of the counterparty.

In addition to Direct U.S. Treasury Obligations, the Fund may invest in other fixed income securities that are backed by the full faith and credit of the U.S. government, such as fixed income securities issued by the Government National Mortgage Association (GNMA) and the Federal Deposit Insurance Corporation (FDIC) that are guaranteed by the U.S. government. The Fund also may invest in money market funds unaffiliated with GMO.

Although the fixed income securities purchased by the Fund normally will have a stated or remaining maturity of one year or less, Direct U.S. Treasury Obligations purchased pursuant to repurchase agreements may not, and, therefore, if the counterparty to the repurchase agreement defaults, the Fund may end up owning a security with a stated or remaining maturity of more than one year.

The Fund is **not** a money market fund and is not subject to the duration, quality, diversification and other requirements applicable to money market funds.

In selecting U.S. Treasury securities for the Fund's portfolio, GMO focuses primarily on the relative attractiveness of different obligations (such as bonds, notes or bills), which can vary depending on the general level of interest rates as well as supply and demand imbalances and other market conditions. The factors considered and investment methods used by GMO can change over time.

Principal risks of investing in the Fund

The value of the Fund's shares changes with the value of the Fund's investments. Many factors can affect this value, and you may lose money by investing in the Fund. The principal risks of investing in the Fund are summarized below. For a more complete discussion of these risks, see "Description of Principal Risks."

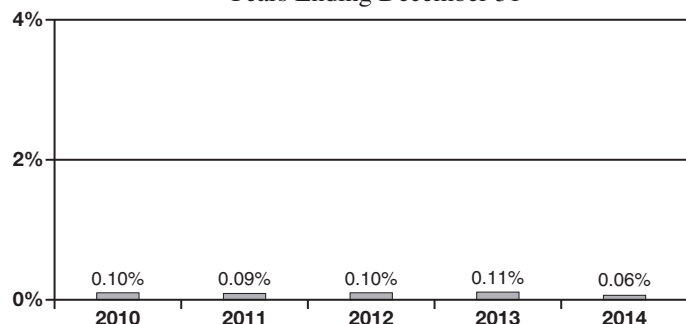
- *Market Risk – Fixed Income Investments* – The market price of a fixed income investment can decline due to market-related factors, primarily rising interest rates.
- *Credit Risk* – Securities issued by the U.S. Treasury historically have presented minimal credit risk. However, recent events have led to a downgrade in the long-term credit rating of U.S. bonds by several major rating agencies and have introduced greater uncertainty about the repayment by the United States of its obligations. A further credit rating downgrade could decrease, and a U.S. credit default would decrease, the value of the Fund's investments and could increase the volatility of the Fund's portfolio.
- *Focused Investment Risk* – Investments focused in sectors, industries, or issuers that are subject to the same or similar risk factors and investments whose prices are strongly correlated, such as the Fund's investments in securities issued by the U.S. Treasury and other fixed income securities that are backed by the full faith and credit of the U.S. government, are subject to greater overall risk than investments that are more diversified.
- *Large Shareholder Risk* – To the extent that a large number of shares of the Fund is held by a single shareholder (e.g., an institutional investor or another GMO Fund) or a group of shareholders with a common investment strategy (e.g., GMO asset allocation accounts), the Fund is subject to the risk that a redemption by those shareholders of all or a large portion of their Fund shares will cause the Fund to sell securities at disadvantageous prices or otherwise will disrupt the Fund's operations.
- *Management and Operational Risk* – The Fund runs the risk that GMO's investment techniques will fail to produce desired results. The Fund also runs the risk that deficiencies in GMO's or another service provider's internal systems or controls will cause losses for the Fund or impair Fund operations.
- *Market Disruption and Geopolitical Risk* – Geopolitical and other events may disrupt securities markets and adversely affect global economies and markets. Those events, as well as other changes in non-U.S. and U.S. economic and political conditions, could adversely affect the value of the Fund's investments.

GMO U.S. TREASURY FUND

Performance

The bar chart and table below provide some indication of the risks of investing in the Fund by showing changes in the Fund's annual total returns from year to year for the periods indicated and by comparing the Fund's average annual total returns for different calendar periods with those of a broad-based index. After-tax returns are calculated using the historical highest individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Actual after-tax returns depend on your tax situation and may differ from those shown. After-tax returns shown are not relevant if you are tax-exempt or if you hold your Fund shares through tax-deferred arrangements (such as a 401(k) plan or individual retirement account). Updated performance information for the Fund is available at www.gmo.com. Past performance (before and after taxes) is not an indication of future performance.

Annual Total Returns
Years Ending December 31



Highest Quarter: 0.07% (2Q2010)
Lowest Quarter: -0.02% (1Q2010)
Year-to-Date (as of 3/31/15): 0.01%

Average Annual Total Returns
Periods Ending December 31, 2014

	1 Year	5 Years	10 Years	Incept.
				3/17/09
Return Before Taxes	0.06%	0.09%	N/A	0.13%
Return After Taxes on Distributions	0.04%	0.05%	N/A	0.08%
Return After Taxes on Distributions and Sale of Fund Shares	0.04%	0.06%	N/A	0.08%
Citigroup 3-Month Treasury Bill Index (reflects no deduction for fees, expenses, or taxes)	0.03%	0.07%	N/A	0.08%

Management of the Fund

Investment Adviser: Grantham, Mayo, Van Otterloo & Co. LLC

Investment Team and Senior Members of GMO primarily responsible for portfolio management of the Fund:

Investment Team	Senior Member (Length of Service with Fund)	Title
Developed Fixed Income	Ben Inker (since November 2014)	Co-Head, Asset Allocation Team and Co-Head, Developed Fixed Income Team, GMO.
Developed Fixed Income	Sam Wilderman (since November 2014)	Co-Head, Asset Allocation Team and Co-Head, Developed Fixed Income Team, GMO.
Developed Fixed Income	Michael Emanuel (since February 2015)	Portfolio Manager, Developed Fixed Income Team, GMO.
Developed Fixed Income	Greg Jones (since February 2015)	Portfolio Manager, Developed Fixed Income Team, GMO.

Additional information

For important information about purchase and sale of Fund shares, taxes, and financial intermediary compensation, please see "Additional Summary Information About the Funds" on page 144 of this Prospectus.

ADDITIONAL SUMMARY INFORMATION ABOUT THE FUNDS

Purchase and sale of Fund shares

Under ordinary circumstances, you may purchase a Fund's shares directly from GMO Trust (the "Trust") on days when the New York Stock Exchange ("NYSE") is open for business (and, in the case of a Bond Fund and Special Opportunities Fund, on days when the U.S. bond markets also are open for business and, in the case of Taiwan Fund, on days when the Taiwan Stock Exchange ("TSE") also is open for business). In addition, certain brokers and agents are authorized to accept purchase and redemption orders on the Funds' behalf.

Except for Class MF shares of Benchmark-Free Allocation Fund, an investor's eligibility to purchase Fund shares or different classes of Fund shares depends on its meeting either (i) the "Minimum Total Fund Investment," which includes only an investor's total investment in a particular Fund, or (ii) the "Minimum Total GMO Investment," both of which are set forth in the table below. Mutual funds that wish to invest in shares of Benchmark-Free Allocation Fund and wish to receive supplemental support services are eligible to purchase its Class MF shares. No minimum initial investment is required to purchase Class MF shares. For investors owning shares of a Fund, no minimum additional investment is required to purchase additional shares of that Fund.

Minimum Investment Criteria for Class Eligibility

		Minimum Total Fund Investment	Minimum Total GMO Investment
Class II Shares	All Funds Offering Class II Shares	N/A	\$10 million
Class III Shares	Tax-Managed International Equities Fund	N/A	\$10 million (or \$5 million in tax-managed GMO products)
	International Equity Fund Foreign Fund	N/A	\$35 million
	Emerging Markets Fund Emerging Domestic Opportunities Fund	\$50 million	N/A
	All Other Funds Offering Class III Shares	N/A	\$10 million
Class IV Shares	All Funds Offering Class IV Shares	\$125 million	\$250 million
Class V Shares	All Funds Offering Class V Shares	\$250 million	\$500 million
Class VI Shares	All Funds Offering Class VI Shares	\$300 million	\$750 million

Minimum Investment Criteria and Eligibility for Implementation Fund and U.S. Treasury Fund

		Minimum Total Fund Investment	Minimum Total GMO Investment
	Implementation Fund U.S. Treasury Fund	N/A	\$10 million

Fund shares are redeemable. Under ordinary circumstances, you may redeem a Fund's shares on days when the NYSE is open for business (and, in the case of a Bond Fund and Special Opportunities Fund, on days when the U.S. bond markets also are open for business and, in the case of Taiwan Fund, on days when the TSE also is open for business). Redemption orders should be submitted directly to the Trust unless the Fund shares to be redeemed were purchased through a broker or agent, in which case the redemption order should be submitted to that broker or agent. For instructions on redeeming shares directly, call the Trust at 1-617-346-7646 or send an e-mail to SHS@GMO.com.

Purchase order forms and redemption orders can be submitted by mail, facsimile, or e-mail (or by other form of communication pre-approved by GMO Shareholder Services) to the Trust at:

GMO Trust
c/o Grantham, Mayo, Van Otterloo & Co. LLC
40 Rows Wharf
Boston, Massachusetts 02110
Facsimile: 1-617-439-4192
Attention: Shareholder Services
E-mail: clientorder@gmo.com

U.S. tax information

Each of the Funds has elected to be treated or intends to elect to be treated, as applicable, and intends to qualify and be treated each year, as a regulated investment company (each, a "RIC") under Subchapter M of the Internal Revenue Code of 1986, as amended (the

“Code”) for U.S. federal income tax purposes and to distribute net investment income and net realized capital gains, if any, to shareholders. These distributions generally are taxable to U.S. shareholders as ordinary income or capital gains, unless they are exempt from income tax or are investing through a tax-advantaged account. U.S. shareholders who are investing through a tax-advantaged account may be taxed upon withdrawals from that account.

Benchmark-Free Fund expects to invest in GMO GAAR Implementation Fund (“GIF”), a series of GMO Trust not offered by this Prospectus, which, for U.S. federal income tax purposes, will be disregarded as an entity separate from Benchmark-Free Fund, its sole shareholder. As a result, for U.S. federal income tax purposes, including for purposes of meeting the ongoing distribution, asset diversification, qualifying income, and other requirements applicable to RICs under Subchapter M of the Code (i) Benchmark-Free Fund will be treated as owning GIF’s assets, including the wholly-owned subsidiary in which GIF invests, directly, (ii) any income, gain, loss, deduction or other tax items arising in respect of GIF’s assets will be treated as if they are realized or incurred, as applicable, directly by Benchmark-Free Fund, and (iii) any distributions Benchmark-Free Fund receives from GIF will have no effect on Benchmark-Free Fund for U.S. federal income tax purposes, including with respect to any liability or the requirements applicable to it for RIC treatment under the Code.

Benchmark-Free Fund anticipates reallocating to GIF assets currently held through shares of other GMO Funds. Those reallocations will involve a higher-than-normal level of portfolio turnover and it is possible that Benchmark-Free Fund will realize and, absent offsetting losses, distribute significant capital gains. Any such distributions will be taxable to Benchmark-Free Fund shareholders when Fund shares are held in a taxable account as either ordinary income or long-term capital gain, as described more fully below in “Distributions and Taxes.”

Effective on or about July 1, 2015, Implementation Fund will elect, for federal income tax purposes, to be treated as a corporation, and, as noted above, Implementation Fund intends to elect to be treated as RIC, also effective as of that date. At that time, Implementation Fund’s assets may have an aggregate value that significantly exceeds their aggregate tax basis. Until that date, Implementation Fund and its assets, as well as gain or loss arising therefrom, were treated as part of and belonging to, for federal income tax purposes, its then-sole owner, Benchmark-Free Allocation Fund. As of the above effective date, Implementation Fund’s assets and gains and losses will be evaluated on their own, and the Fund will make distributions accordingly. Those distributions, which may be significant, will be taxable to shareholders of Implementation Fund when Fund shares are held in a taxable account as either ordinary income or long-term capital gain, as described more fully below in “Distributions and Taxes.”

Financial intermediary compensation

If you purchase shares of a Fund through a broker, agent or other financial intermediary (such as a bank), GMO may pay the financial intermediary for the sale of Fund shares and related services. These payments may create a conflict of interest by influencing the broker or other financial intermediary and your salesperson to recommend the Fund over another investment. Ask your salesperson or consult your financial intermediary’s website for more information.

ADDITIONAL INFORMATION ABOUT THE FUNDS' INVESTMENT STRATEGIES, RISKS, AND EXPENSES

Fund Summaries. The preceding sections contain a summary of the investment objective, fees and expenses, principal investment strategies, principal risks, performance, management, and other important information for each series of the Trust listed on the cover page of this Prospectus (each a "Fund" and collectively, the "Funds," and together with other series of the Trust not offered by this Prospectus, each a "GMO Fund" and collectively, the "GMO Funds"). The summaries are not all-inclusive, and a Fund may make investments, employ strategies, and be exposed to risks that are not described in its summary. More information about the Funds' investments and strategies is contained in the Statement of Additional Information ("SAI"). See the back cover of this Prospectus for information about how to receive the SAI. Additional information about the Funds' benchmarks and other comparative indices may be found under "Fund Benchmarks and Comparative Indices."

Fundamental Investment Objectives/Policies. The Board of Trustees ("Trustees") of the Trust may change a Fund's investment objective or policies without shareholder approval or prior notice unless an objective or policy is identified in this Prospectus or in the SAI as "fundamental." Only International Equity Fund and U.S. Equity Allocation Fund have fundamental investment objectives. Neither the Funds nor GMO guarantee that the Funds will be able to achieve their investment objectives.

Tax Consequences. Unless otherwise specified in this Prospectus or in the SAI, GMO is not obligated to, and generally will not consider, tax consequences when seeking to achieve a Fund's investment objective (e.g., a Fund may engage in transactions or make investments in a manner that are not tax efficient for U.S. federal income or other federal, state, local, or non-U.S. tax purposes).

In particular, a Fund's investment either directly or indirectly through a wholly-owned subsidiary could affect the amount, timing and character of its distributions and could cause the Fund to recognize taxable income in excess of the cash generated by such investment, requiring the Fund in turn to liquidate investments at disadvantageous times to generate cash needed to make required distributions. See "Distributions and Taxes" below and "Taxes" in the SAI for more information about the tax consequences of a Fund's investments through a wholly-owned subsidiary.

Because portfolio turnover is not a principal consideration when GMO makes investment decisions for the Funds, GMO may cause a Fund to trade more frequently at times based on its assessment of market conditions and purchase or redemption requests. The Funds are not subject to any limit on the frequency with which portfolio securities may be purchased or sold. High turnover rates may create additional taxable income and gains for shareholders. If portfolio turnover results in the recognition of short-term capital gains, those gains, when distributed, typically are taxed to shareholders at ordinary income tax rates. See "Distributions and Taxes" below for more information.

Certain Definitions. When used in this Prospectus, the term "invest" includes both direct and indirect investing and the term "investments" includes both direct and indirect investments. For example, a Fund may invest indirectly in a given asset or asset class by investing in another GMO Fund or a wholly-owned subsidiary or by investing in derivatives and synthetic instruments. When used in this Prospectus, (i) the terms "bonds," "fixed income investments," and "fixed income securities" include (a) obligations of an issuer to make payments on future dates of principal, interest (whether fixed or variable) or both and (b) synthetic debt instruments created by GMO by using derivatives (e.g., a futures contract, swap contract, currency forward or option); (ii) the term "emerging countries" (except in the case of Emerging Countries Fund, which has a separate definition in its Fund summary) means the world's less developed countries; (iii) the term "equities" refers to investments (as defined above) in common and preferred stocks and other stock-related securities, such as convertible securities, depositary receipts, and exchange-traded equity real estate investment trusts (REITs) and income trusts; (iv) the term "sovereign debt" refers to a fixed income security issued or guaranteed by a government or a governmental agency or political subdivision, or synthetic sovereign debt; and (v) the term "total return" includes capital appreciation and income.

Benchmarks. Fund benchmarks (if any) and other comparative indices listed in the "Average Annual Total Returns" table in the Fund summaries are described under "Fund Benchmarks and Comparative Indices." In some cases, a Fund's summary states that a Fund seeks total return greater than that of its benchmark. Neither the Funds nor GMO can provide any assurance that this goal will be achieved. A Fund's benchmark is stated as of the date of this Prospectus and may be changed without notice to shareholders.

Fee and Expense Information. The following paragraphs contain additional information about the fee and expense information included in the Fund summaries.

Annual Fund Operating Expenses – Other Expenses and Acquired Fund Fees and Expenses. The amounts listed under "Other expenses" in the "Annual Fund operating expenses" table included in each Fund's summary generally reflect direct expenses associated with an investment in a Fund for the fiscal year (or initial fiscal period, as applicable) ended February 28, 2015. A Fund may invest in other GMO Funds as well as exchange-traded funds (ETFs) and other pooled investment vehicles (collectively, the "acquired funds"), and the indirect net expenses associated with a Fund's investment (if any) in acquired funds are reflected in "Other expenses" if those expenses are less than 0.01% of the average net assets of the Fund. If the indirect net expenses associated with a Fund's investment in acquired funds ("acquired fund fees and expenses") are 0.01% or more of the Fund's average net assets, these expenses are reflected in the "Annual Fund operating expenses" table under "Acquired fund fees and expenses." Acquired fund fees and expenses do not include expenses associated with investments in the securities of unaffiliated companies unless those companies hold themselves out to be investment companies. Acquired fund fees and expenses generally are based on expenses incurred by the Fund for the fiscal year ended February 28, 2015, and actual indirect expenses will vary depending on the particular acquired funds in which the Fund invests.

Fee and Expense Examples. The expense example under “Example” included in each Fund’s summary assumes that a shareholder reinvests all dividends and distributions, if any.

Bond Funds. The following Funds (collectively, the “Bond Funds”) invest substantially all of their assets in fixed income securities: the Fixed Income Funds, Asset Allocation Bond Fund, and U.S. Treasury Fund. Many of the Bond Funds invest in other GMO Funds. In particular, pursuant to an exemptive order granted by the Securities and Exchange Commission (“SEC”), many of the Bond Funds may invest in Emerging Country Debt Fund, Debt Opportunities Fund, U.S. Treasury Fund, GMO High Quality Short-Duration Bond Fund (“High Quality Fund”), and GMO World Opportunity Overlay Fund (“Overlay Fund”). For information regarding High Quality Fund and Overlay Fund, which are not offered by this Prospectus, see “Investment in Other GMO Funds” beginning on page 217 of this Prospectus.

Credit Quality. For purposes of this Prospectus, the term “investment grade” refers to a rating of Baa3/P-2 or better by Moody’s Investors Service, Inc. (“Moody’s”) or BBB-/A-2 or better by Standard & Poor’s Ratings Services (“S&P”) and the term “below investment grade” refers to any rating by Moody’s or by S&P below those ratings. Fixed income securities rated below investment grade are commonly referred to as high yield or “junk” bonds. In addition, in this Prospectus, securities and commercial paper that are rated Aa/P-1 or better by Moody’s or AA/A-1 or better by S&P are sometimes referred to as “high quality.” Securities referred to in this Prospectus as investment grade, below investment grade, or high quality include securities rated by Moody’s, S&P or both, and unrated securities that GMO determines have comparable credit qualities.

Duration. For purposes of this Prospectus, the term “duration” refers to the weighted measure of interest rate sensitivity of a fixed income security. GMO employs a variety of techniques to adjust the sensitivity of a Bond Fund’s net asset value to changes in interest rates. This sensitivity is often measured by, and correlates with, the estimated interest rate duration of a Fund’s portfolio. For example, the value of an investment held by a Bond Fund with a duration of five years decreases by approximately 5% for every 1% increase in interest rates, while the value of an investment with a duration of six years increases by approximately 6% with every 1% decrease in interest rates. In many cases, the “Principal investment strategies” section of a Bond Fund’s summary section provides the Fund’s dollar-weighted average interest rate duration. GMO estimates that duration by aggregating the durations of the Fund’s direct and indirect individual holdings and weighting each holding based on its market value. Duration needs to be estimated when the obligor is required to prepay principal or interest on a fixed income security and the payments are not denominated in U.S. dollars. GMO may significantly alter the duration of a Fund by using derivatives.

Asset Allocation Funds. The following Funds (collectively, the “Asset Allocation Funds”) invest primarily in other GMO Funds: Benchmark-Free Allocation Fund, Global Asset Allocation Fund, Global Equity Allocation Fund, Global Developed Equity Allocation Fund, International Equity Allocation Fund, International Developed Equity Allocation Fund, Benchmark-Free Fund, and Strategic Opportunities Allocation Fund. Several GMO Funds in which the Asset Allocation Funds invest themselves invest a substantial portion of their assets in other GMO Funds. As a result, the Asset Allocation Funds are exposed not only to all of the risks of the GMO Funds in which they invest but also the GMO Funds in which those Funds invest. In some cases, the Asset Allocation Funds may invest in GMO Funds not offered by this Prospectus, as indicated in the Asset Allocation Fund Summaries. For more information regarding these GMO Funds, see “Investment in Other GMO Funds” beginning on page 217 of this Prospectus.

When used in the Asset Allocation Fund summaries, references to the Equity Funds, the Fixed Income Funds and the Implementation Funds include the GMO Funds listed under those headings below:

Equity Funds

- Developed World Stock Fund
- Global Focused Equity Fund
- Tax-Managed International Equities Fund
- International Equity Fund
- International Large/Mid Cap Equity Fund
- Foreign Fund
- Foreign Small Companies Fund
- International Small Companies Fund
- U.S. Equity Allocation Fund
- Emerging Markets Fund
- Emerging Countries Fund
- Emerging Domestic Opportunities Fund
- Quality Fund
- Resources Fund

Fixed Income Funds

- Benchmark-Free Bond Fund
- Global Bond Fund
- International Bond Fund
- Currency Hedged International Bond Fund
- Core Plus Bond Fund
- Emerging Country Debt Fund
- Debt Opportunities Fund

Implementation Funds

- Alpha Only Fund
- Asset Allocation Bond Fund
- Implementation Fund
- Risk Premium Fund
- Special Opportunities Fund
- Taiwan Fund
- U.S. Treasury Fund

When used elsewhere in this Prospectus, references to the Multi-Asset Class Funds, the Equity Funds, the Fixed Income Funds, and the Implementation Funds include the GMO Funds listed under those headings on the front cover of this Prospectus.

Investments in U.S. Treasury Fund and Unaffiliated Money Market Funds. Each of the Funds may invest in U.S. Treasury Fund and in money market funds unaffiliated with GMO.

Temporary Defensive Positions. Temporary defensive positions are positions that are inconsistent with a Fund's principal investment strategies and are taken in response to adverse market, economic, political, or other conditions.

Global Focused Equity Fund may hold up to 20% of its assets in cash or cash equivalents, and Benchmark-Free Allocation Fund, Benchmark-Free Fund, Implementation Fund, and the Bond Funds (other than U.S. Treasury Fund) may take temporary defensive positions if deemed prudent by GMO. Many of the Bond Funds have previously taken temporary defensive positions and have exercised the right to honor redemption requests in-kind.

To the extent a Fund takes a temporary defensive position, or otherwise holds cash, cash equivalents, or high quality debt investments on a temporary basis, the Fund may not achieve its investment objective.

Fund Codes. See "Fund Codes" on the inside back cover of this Prospectus for information regarding each Fund's ticker, news-media symbol, and CUSIP number.

This Prospectus does not offer shares of the Trust in any state where they may not lawfully be offered.

DESCRIPTION OF PRINCIPAL RISKS

The following chart identifies the Principal Risks associated with each Fund. Risks not marked for a particular Fund may, however, still apply to some extent to that Fund at various times.

	Multi-Asset Class Funds		Equity Funds																	
	Benchmark-Free Allocation Fund	Global Asset Allocation Fund	Global Equity Allocation Fund	Global Developed Equity Allocation Fund	Developed World Stock Fund	Global Focused Equity Fund	International Equity Allocation Fund	International Developed Equity Allocation Fund	Tax-Managed International Equities Fund	International Equity Fund	International Large/Mid Cap Equity Fund	Foreign Fund	Foreign Small Companies Fund	International Small Companies Fund	U.S. Equity Allocation Fund	Emerging Markets Fund	Emerging Countries Fund	Emerging Domestic Opportunities Fund	Quality Fund	Resources Fund
Market Risk — Equities	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
Market Risk — Fixed Income Investments	•	•	•	•			•	•												
Market Risk — Asset-Backed Securities	•	•	•	•			•	•												
Credit Risk	•	•	•	•			•	•												
Illiquidity Risk	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
Smaller Company Risk	•	•	•	•	•	•	•	•	•	•		•	•	•	•	•	•	•	•	•
Derivatives and Short Sales Risk	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
Non-U.S. Investment Risk	•	•	•	•	•	•	•	•	•	•	•	•	•	•		•	•	•	•	•
Currency Risk	•	•	•	•	•	•	•	•	•	•	•	•	•	•		•	•	•	•	•
Focused Investment Risk	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
Leveraging Risk	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
Counterparty Risk	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
Commodities Risk	•	•																		•
Merger Arbitrage Risk	•	•																		
Market Disruption and Geopolitical Risk	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
Large Shareholder Risk	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
Management and Operational Risk	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
Fund of Funds Risk	•	•	•	•			•	•								•	•	•		
Non-Diversified Funds	•	•	•	•	•	•	•	•	•			•				•	•	•	•	•

	Fixed Income Funds							Implementation Funds								
	Benchmark-Free Bond Fund	Global Bond Fund	International Bond Fund	Currency Hedged International Bond Fund	Core Plus Bond Fund	Emerging Country Debt Fund	Debt Opportunities Fund	Alpha Only Fund	Asset Allocation Bond Fund	Benchmark-Free Fund	Implementation Fund	Risk Premium Fund	Special Opportunities Fund	Strategic Opportunities Allocation Fund	Taiwan Fund	U.S. Treasury Fund
Market Risk — Equities	•	•	•	•	•		•	•	•	•	•	•	•	•	•	
Market Risk — Fixed Income Investments	•	•	•	•	•	•	•	•	•	•	•	•	•	•		•
Market Risk — Asset-Backed Securities	•	•	•	•	•	•	•		•	•	•		•	•		
Credit Risk	•	•	•	•	•	•	•	•	•	•	•	•	•	•		•
Illiquidity Risk	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	
Smaller Company Risk	•	•	•	•	•		•	•	•	•	•	•	•	•	•	
Derivatives and Short Sales Risk	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	
Non-U.S. Investment Risk	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	
Currency Risk	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	
Focused Investment Risk	•	•	•	•	•	•	•		•	•	•	•	•	•	•	•
Leveraging Risk	•	•	•	•	•	•	•	•	•	•	•		•	•	•	
Counterparty Risk	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	
Commodities Risk	•								•	•	•		•	•		
Merger Arbitrage Risk	•								•	•	•	•	•	•		
Market Disruption and Geopolitical Risk	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
Large Shareholder Risk	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
Management and Operational Risk	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
Fund of Funds Risk	•	•	•	•	•	•	•	•	•	•	•		•	•	•	
Non-Diversified Funds	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	

Investing in mutual funds involves many risks. Factors that may affect a particular Fund’s portfolio as a whole, called “principal risks,” are discussed briefly in each Fund’s summary and in additional detail in this section. The risks of investing in a particular Fund depend on the types of investments in its portfolio and the investment strategies GMO employs on its behalf. This section describes the principal risks and some related risks but does not describe every potential risk of investing in the Funds. Funds could be subject to additional risks because of the types of investments they make and market conditions, which may change over time. The SAI includes more information about the Funds and their investments.

Each Fund that invests in other GMO Funds or other investment companies (collectively, “Underlying Funds”) or in a wholly-owned subsidiary (as indicated under “Principal investment strategies” in those Funds’ summaries and further described in “Additional

Information About the Funds' Investment Strategies, Risks, and Expenses") is exposed to the risks to which the Underlying Funds or wholly-owned subsidiary are exposed, as well as the risk that the Underlying Funds or wholly-owned subsidiary will not perform as expected. Therefore, unless otherwise noted, the principal risks summarized below include both direct and indirect risks, and, as indicated in the "Additional Information About the Funds' Investment Strategies, Risks, and Expenses" section of this Prospectus, references in this section to investments made by a Fund include those made both directly by the Fund and indirectly by the Fund through Underlying Funds or a wholly-owned subsidiary.

An investment in a Fund, by itself, generally does not provide a complete investment program but rather is intended to serve as part of an investor's overall investment program. An investment in a Fund is not a bank deposit and, therefore, is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

• **MARKET RISK.** All of the Funds are subject to market risk, which is the risk that the market value of their holdings will decline. Market risks include:

Equities. Funds that invest in equities run the risk that the market prices of equities will decline. That decline may be attributable to factors affecting the issuing company, such as poor performance by the company's management or reduced demand for its goods or services, or to factors affecting a particular industry, such as a decline in demand, labor or raw material shortages, or increased production costs. A decline also may result from general market conditions not specifically related to a company or industry, such as real or perceived adverse economic conditions, changes in the general outlook for corporate earnings, changes in interest or currency rates, or adverse investor sentiment generally. Equities generally have significant price volatility, and their market prices can decline in a rapid or unpredictable manner. If a Fund purchases equities for less than their value as determined by GMO, the Fund runs the risk that their market price will not appreciate or will decline for a variety of reasons, one of which may be GMO's incorrect assessment of their intrinsic value. The market prices of equities trading at high multiples of current earnings often are more sensitive to changes in future earnings expectations than the market prices of equities trading at lower multiples.

Because of Risk Premium Fund's emphasis on selling put options on stock indices, its net asset value is expected to decline when those indices decline in value. Also, Risk Premium Fund's investment strategy of writing put options on stock indices can be expected to cause the Fund to underperform the equity markets on which its puts were written when those markets rise sharply because of the Fund's lack of exposure to the upside of those markets.

Fixed Income Investments. Funds that invest in fixed income securities (including bonds, notes, bills, synthetic debt instruments, and asset-backed securities) are subject to various market risks. The market price of a fixed income investment can decline due to market-related factors, including rising interest rates and widening credit spreads, or decreased liquidity stemming from the market's uncertainty about the value of a fixed income investment (or class of fixed income investments). In addition, the market price of fixed income investments with complex structures, such as asset-backed securities, and sovereign and quasi-sovereign debt instruments can decline due to market uncertainty about their credit quality and the reliability of their payment streams. Some fixed income securities also are subject to unscheduled prepayment, and a Fund may be unable to invest prepayments at as high a yield as was provided by the fixed income security. When interest rates rise, these securities also may be repaid more slowly than anticipated, and the market price of the Fund's investment may decrease. During periods of economic uncertainty and change, the market price of a Fund's investments in below investment grade securities (commonly referred to as "junk bonds") may be particularly volatile. Often below investment grade securities are subject to greater sensitivity to interest rate and economic changes than higher rated bonds and can be more difficult to value (see "Determination of Net Asset Value"), exposing a Fund to the risk that the price at which it sells them will be less than the price at which they were valued when held by the Fund. See "Credit Risk" and "Illiquidity Risk" below for more information about these risks.

A principal risk run by each Fund with a significant investment in fixed income securities is that an increase in prevailing interest rates will cause the market price of those securities to decline. The risk associated with increases in interest rates (also called "interest rate risk") is generally greater for Funds investing in fixed income securities with longer durations. In addition, in managing some Funds, GMO may seek to evaluate potential investments in part by considering the volatility of interest rates. The value of a Fund's investments may be significantly reduced if GMO's assessment proves incorrect.

The extent to which a fixed income security's price changes with changes in interest rates is referred to as interest rate duration, which can be measured mathematically or empirically. A longer-maturity investment generally has longer interest rate duration because the investment's fixed rate is locked in for a longer period of time. Floating-rate or adjustable-rate securities, however, generally have shorter interest rate durations because their interest rates are not fixed but rather float up and down as interest rates change. Conversely, inverse floating-rate securities have durations that move in the opposite direction from short-term interest rates and thus tend to underperform fixed rate securities when interest rates rise but outperform them when interest rates decline. Fixed income securities paying no interest, such as zero coupon and principal-only securities, are subject to additional interest rate risk.

The market price of inflation-indexed bonds (including Inflation-Protected Securities issued by the U.S. Treasury (TIPS)) typically declines during periods of rising real interest rates (i.e., nominal interest rate minus inflation) and increases during periods of declining real interest rates. In some interest rate environments, such as when real interest rates are rising faster than nominal interest rates, the market price of inflation-indexed bonds may decline more than the price of non-inflation-indexed (or nominal) fixed income bonds with similar maturities.

Generally, when interest rates on short term U.S. Treasury obligations equal or approach zero, a Fund that invests a substantial portion of its assets in U.S. Treasury obligations, such as U.S. Treasury Fund, will have a negative return unless GMO waives or reduces its management fees.

Fixed income securities denominated in foreign currencies also are subject to currency risk. See “Currency Risk” below.

In response to government intervention, economic or market developments, or other factors, fixed income markets may experience periods of high volatility, reduced liquidity or both. During those periods, a Fund could have unusually high shareholder redemptions, requiring it to generate cash by selling securities when it would otherwise not do so, including at unfavorable prices. Fixed income investments may be difficult to value during such periods. In recent periods, central banks and governmental financial regulators, including the U.S. Federal Reserve, have maintained historically low interest rates by purchasing bonds. Steps to curtail or “taper” such activities and other actions by central banks or regulators (such as intervention in foreign currency markets or currency controls) could have a material adverse effect on the Funds.

Asset-Backed Securities. Investments in asset-backed securities not only are subject to all of the market risks described above for fixed income securities but to other market risks as well.

A Fund’s investments in asset-backed securities are exposed to greater risk of severe credit downgrades, illiquidity, and defaults than many other types of fixed income investments. These risks are particularly acute during periods of adverse market conditions, such as those that occurred in 2008. Asset-backed securities may be backed by many types of assets, including pools of residential and commercial mortgages, automobile loans, educational loans, home equity loans, and credit-card receivables. They also may be backed by pools of corporate or sovereign bonds, bank loans to corporations, or a combination of bonds and loans (commonly referred to as “collateralized debt obligations” or “collateralized loan obligations”) and by the fees payable to service providers.

As described under “Market Risk — Fixed Income Investments” above, the market price of fixed income investments with complex structures, such as asset-backed securities, can decline due to a variety of factors, including market uncertainty about their credit quality and the reliability of their payment streams. Payment of interest on asset-backed securities and repayment of principal largely depend on the cash flow generated by the assets backing the securities, as well as the deal structure (e.g., the amount of underlying assets or other support available to produce the cash flows necessary to service interest and make principal payments), the quality of the underlying assets, the level of credit support and the credit quality of the credit-support provider, if any, and the reliability of various other service providers with access to the payment stream. A problem in any one of these factors can lead to a reduction in the payment stream GMO expected a Fund to receive at the time the Fund purchased the asset-backed security. Asset-backed securities involve risk of loss of principal if obligors of the underlying obligations default and the value of the defaulted obligations exceeds whatever credit support the securities may have. Asset-backed securities backed by sub-prime mortgage loans, in particular, may expose a Fund to significantly greater declines in value due to defaults because sub-prime mortgage loans are typically made to less creditworthy borrowers and thus have a higher risk of default than conventional mortgage loans. The obligations of issuers (and obligors of asset-backed securities) also are subject to bankruptcy, insolvency and other laws affecting the rights and remedies of creditors. As of the date of this Prospectus, many asset-backed securities owned by the Funds that were once rated investment grade are now rated below investment grade. See “Credit Risk” below for more information about credit risk.

With the deterioration of worldwide economic and liquidity conditions that occurred and became acute in 2008, the markets for asset-backed securities became fractured, and uncertainty about the creditworthiness of those securities (and underlying assets) caused credit spreads (the difference between yields on asset-backed securities and U.S. Government securities) to widen dramatically. Concurrently, systemic risks of the type evidenced by the insolvency of Lehman Brothers and subsequent market disruptions reduced the ability of financial institutions to make markets in many fixed income securities. These events reduced liquidity and contributed to substantial declines in the market prices of asset-backed and other fixed income securities. For an illustration, see GMO Short-Duration Collateral Fund’s 2008 performance on page 221 of this Prospectus. These conditions may occur again. Also, government actions and proposals affecting the terms of underlying home and consumer loans, changes in demand for products (e.g., automobiles) financed by those loans, and the inability of borrowers to refinance existing loans (e.g., sub-prime mortgages) have had, and may continue to have, adverse valuation and liquidity effects on asset-backed securities.

The market price of an asset-backed security may depend on the servicing of its underlying assets and is, therefore, subject to risks associated with the negligence or defalcation of its servicer. In some circumstances, the mishandling of documentation for underlying assets also may affect the rights of holders of those underlying assets. The insolvency of an entity that generated the assets underlying an asset-backed security is likely to result in a decline in the market price of that security, as well as costs and delays. The obligations underlying asset-backed securities, in particular securities backed by pools of residential and commercial mortgages, also are subject to unscheduled prepayment, and a Fund may be unable to invest prepayments at as high a yield as was provided by the asset-backed security. When interest rates rise, these obligations also may be repaid more slowly than anticipated, and the market price of the Fund’s investment may decrease.

In addition, the existence of insurance on an asset-backed security does not guarantee that the principal and interest will be paid because the insurer could default on its obligations.

The risk of investing in asset-backed securities has increased since the deterioration in worldwide economic and liquidity conditions referred to above because performance of the various sectors in which the assets underlying asset-backed securities are concentrated (e.g., auto loans, student loans, sub-prime mortgages, and credit card receivables) has become more highly correlated. See “Focused Investment Risk” below for more information about risks of investing in correlated sectors. A single financial institution may serve as trustee for many asset-backed securities. As a result, a disruption in that institution’s business may have a material impact on many investments. The risks associated with asset-backed securities are particularly pronounced for Debt Opportunities Fund, which has invested a substantial portion of its assets in asset-backed securities, and for each Fund that has invested a substantial portion of its assets in Debt Opportunities Fund.

• **CREDIT RISK.** This is the risk that the issuer or guarantor of a fixed income investment or the obligor of an obligation underlying an asset-backed security will be unable or unwilling to satisfy its obligation to pay principal and interest or otherwise to honor its obligations in a timely manner. The market price of a fixed income investment will normally decline as a result of the issuer’s, guarantor’s, or obligor’s failure to meet its payment obligations or the downgrading of its credit rating. This risk is particularly acute in environments (like those of 2008) in which financial services firms are exposed to systemic risks of the type evidenced by the insolvency of Lehman Brothers and subsequent market disruptions.

All fixed income securities are subject to credit risk. Financial strength and solvency of an issuer are the primary factors influencing credit risk. The risk varies depending upon whether the issuer is a corporation, a government or government entity, whether the particular security has a priority over other obligations of the issuer in payment of principal and interest and whether it has any collateral backing or credit enhancement. Credit risk may change over the term of a fixed income security. U.S. government securities are subject to varying degrees of credit risk depending upon whether the securities are supported by the full faith and credit of the United States, supported by the ability to borrow from the U.S. Treasury, supported only by the credit of the issuing U.S. government agency, instrumentality, or corporation, or otherwise supported by the United States. For example, issuers of many types of U.S. government securities (e.g., the Federal Home Loan Mortgage Corporation (“Freddie Mac”), Federal National Mortgage Association (“Fannie Mae”), and Federal Home Loan Banks), although chartered or sponsored by Congress, are not funded by Congressional appropriations and their fixed income securities, including mortgage-backed and other asset-backed securities, are neither guaranteed nor insured by the U.S. government. These securities are subject to more credit risk than U.S. government securities that are supported by the full faith and credit of the United States (e.g., U.S. Treasury bonds). Investments in sovereign debt involve the risk that the governmental entities responsible for repayment may be unable or unwilling to pay interest and repay principal when due. A governmental entity’s ability and willingness to pay interest and repay principal in a timely manner may be affected by a variety of factors, including its cash flow, the size of its reserves, its access to foreign exchange, the relative size of its debt service burden to its economy as a whole, and political constraints. Investments in quasi-sovereign issuers are subject to the additional risk that the issuer may default independently of its sovereign. Sovereign debt risk is greater for fixed income securities issued or guaranteed by emerging countries.

In many cases, the credit risk of a fixed income security is reflected in its credit ratings, and a Fund holding a rated security is subject to the risk that the investment’s rating will be downgraded.

Securities issued by the U.S. government historically have presented minimal credit risk. However, recent events have led to a downgrade in the long-term credit rating of U.S. bonds by several major rating agencies and have introduced greater uncertainty about the repayment by the United States of its obligations. A further credit rating downgrade could decrease, and a default in the payment of principal or interest on U.S. government securities would decrease, the value of a Fund’s investments and could increase the volatility of a Fund’s portfolio.

As described under “Market Risk — Asset-Backed Securities” above, asset-backed securities may be backed by many types of assets and their payment of interest and repayment of principal largely depend on the cash flows generated by the assets backing them. The credit risk of a particular asset-backed security depends on many factors, as described under “Market Risk — Asset-Backed Securities” above. The obligations of issuers also may be subject to bankruptcy, insolvency and other laws affecting the rights and remedies of creditors.

A Fund also is exposed to credit risk on a reference security to the extent it writes protection under credit default swaps. See “Derivatives and Short Sales Risk” below for more information regarding risks associated with the use of credit default swaps.

The extent to which the market price of a fixed income security changes in response to a credit event depends on many factors and can be difficult to predict. For example, even though the effective duration of a long-term floating rate security is very short, an adverse credit event or change in the perceived creditworthiness of its issuer could cause its market price to decline much more than its effective duration would suggest.

Credit risk is particularly pronounced for below investment grade securities (commonly referred to as “junk bonds”), which are defined in this Prospectus under “Additional Information About the Funds’ Investment Strategies, Risks, and Expenses — Bond Funds.” The sovereign debt of many non-U.S. governments, including their sub-divisions and instrumentalities, is below investment grade. Many asset-backed securities also are below investment grade. Below investment grade securities have speculative characteristics, often are less liquid than higher quality securities, present a greater risk of default and are more susceptible to real or perceived adverse industry conditions. Investments in distressed or defaulted debt securities generally are considered speculative and may involve substantial risks not normally associated with investments in higher quality securities, including adverse business, financial or economic conditions that can lead to payment defaults and insolvency proceedings on the part of their issuers. In particular, distressed or defaulted obligations might be repaid, if at all, only after lengthy workout or bankruptcy proceedings, during which the issuer might not make any interest or other

payments, and a Fund may incur additional expenses to seek recovery. If GMO's assessment of the eventual recovery value of a distressed or defaulted debt security proves incorrect, a Fund may lose a substantial portion or all of its investment or may be required to accept cash or instruments worth less than its original investment. In the event of default of sovereign debt, the Funds may be unable to pursue legal action against the issuer.

• **ILLIQUIDITY RISK.** Illiquidity risk is the risk that low trading volume, lack of a market maker, large position size, or legal restrictions (including daily price fluctuation limits or "circuit breakers") limits or prevents a Fund from selling particular securities or closing derivative positions at desirable prices. In addition to these risks, a Fund is exposed to illiquidity risk when it has an obligation to purchase particular securities (e.g., as a result of entering into reverse repurchase agreements, writing a put, or closing a short position). To the extent a Fund's investments include asset-backed securities, distressed or defaulted debt securities, emerging country debt securities, securities of companies with smaller market capitalizations or smaller total float-adjusted market capitalizations, or emerging market securities, it is subject to increased illiquidity risk. These types of investments can be difficult to value (see "Determination of Net Asset Value"), exposing a Fund to the risk that the price at which it sells them will be less than the price at which they were valued when held by the Fund. Illiquidity risk also may be greater in times of financial stress. For example, TIPS have experienced periods of greatly reduced liquidity during disruptions in fixed income markets, such as the events surrounding the bankruptcy of Lehman Brothers in 2008. Less liquid securities are more susceptible than other securities to price declines when market prices decline generally.

All of the Funds with benchmarks may buy securities that are less liquid than those in their benchmarks.

Risk Premium Fund's ability to use options as part of its investment program depends on the liquidity of the options market. In addition, that market may not be liquid when Risk Premium Fund seeks to close out an option position. Also, the hours of trading for options on an exchange may not conform to the hours during which the securities held by Risk Premium Fund are traded. To the extent that the options markets close before the markets for the underlying securities, significant price and rate movements can take place in the markets for underlying securities that are not immediately reflected in the options markets. If Risk Premium Fund receives a redemption request and is unable to close out an option it has sold, the Fund may temporarily be leveraged in relation to its assets.

• **SMALLER COMPANY RISK.** Companies with smaller market capitalizations, including small- and mid-cap companies, may have limited product lines, markets, or financial resources, may lack the competitive strength of larger companies, may have inexperienced managers or may depend on a few key employees. In addition, their securities often are less widely held and trade less frequently and in lesser quantities, and their market prices often fluctuate more, than the securities of companies with larger market capitalizations. Market risk and illiquidity risk are particularly pronounced for securities of these companies.

• **DERIVATIVES AND SHORT SALES RISK.** All of the Funds may invest in derivatives, which are financial contracts whose value depends on, or is derived from, the value of underlying assets, reference rates, or indices. Derivatives involve the risk that their value may not change as expected relative to changes in the value of the assets, rates, or indices they are designed to track. Derivatives include futures contracts, forward contracts, foreign currency contracts, swap contracts, contracts for differences, options on securities and indices, options on futures contracts, options on swap contracts, interest rate caps, floors and collars, reverse repurchase agreements, and other over-the-counter (OTC) contracts. Derivatives may relate to securities, commodities, currencies, currency exchange rates, interest rates, inflation rates, and indices. The SAI describes the various types of derivatives in which the Funds invest and how they are used in the Funds' investment strategies.

The use of derivatives involves risks that are in addition to, and potentially greater than, the risks of investing directly in securities and other more traditional assets. In particular, a Fund's use of OTC derivatives exposes it to the risk that the counterparties will be unable or unwilling to make timely settlement payments or otherwise honor their obligations. An OTC derivatives contract typically can be closed only with the consent of the other party to the contract. If the counterparty defaults, the Fund will still have contractual remedies but may not be able to enforce them. Because the contract for each OTC derivative is individually negotiated, the counterparty may interpret contractual terms (e.g., the definition of default) differently than the Fund, and if it does, the Fund may decide not to pursue its claims against the counterparty to avoid the cost and unpredictability of legal proceedings. The Fund, therefore, may be unable to obtain payments GMO believes are owed to it under OTC derivatives contracts, or those payments may be delayed or made only after the Fund has incurred the cost of litigation.

A Fund may invest in derivatives that (i) do not require the counterparty to post collateral (e.g., foreign currency forwards), (ii) require collateral but that do not provide for the Fund's security interest in it to be perfected, (iii) require a significant upfront deposit by the Fund unrelated to the derivative's intrinsic value, or (iv) do not require that collateral be regularly marked-to-market. When a counterparty's obligations are not fully secured by collateral, a Fund runs a greater risk of being unable to recover what it is owed if the counterparty defaults. Even when derivatives are required by contract to be collateralized, a Fund typically will not receive the collateral for one or more days after the collateral is required to be posted.

The Funds may invest in derivatives with a limited number of counterparties, and events affecting the creditworthiness of any of those counterparties may have a pronounced effect on the Funds. Derivatives risk is particularly acute in environments (like those of 2008) in which financial services firms are exposed to systemic risks of the type evidenced by the insolvency of Lehman Brothers and subsequent market disruptions. In addition, during those periods, a Fund may have a greater need for cash to provide collateral for large swings in its mark-to-market obligations under the derivatives in which it has invested.

Derivatives also present other risks described in this section, including market risk, illiquidity risk, currency risk, credit risk, and counterparty risk. Many derivatives, in particular OTC derivatives, are complex and their valuation often requires modeling and judgment, which increases the risk of mispricing or improper valuation. The pricing models used may not produce valuations that are consistent with the values a Fund realizes when it closes or sells an OTC derivative. Valuation risk is more pronounced when a Fund enters into OTC derivatives with specialized terms because the value of those derivatives in some cases is determined only by reference to similar derivatives with more standardized terms. As a result, incorrect valuations may result in increased cash payments to counterparties, undercollateralization and/or errors in the calculation of a Fund's net asset value.

A Fund's use of derivatives may not be effective or have the desired results. Moreover, suitable derivatives will not be available in all circumstances. For example, the economic costs of taking some derivative positions may be prohibitive, and if a counterparty or its affiliate is deemed to be an affiliate of a Fund, the Funds will not be permitted to trade with that counterparty. In addition, GMO may decide not to use derivatives to hedge or otherwise reduce a Fund's risk exposures, potentially resulting in losses for the Fund.

Swap contracts and other OTC derivatives are highly susceptible to illiquidity risk (see "Illiquidity Risk" above) and counterparty risk (see "Counterparty Risk" below). These derivatives are also subject to documentation risk, which is the risk that ambiguities, inconsistencies or errors in the documentation relating to a derivative transaction may lead to a dispute with the counterparty or unintended investment results. In addition, see "Commodities Risk" below for a discussion of risks specific to commodity-related derivatives. Because many derivatives have a leverage component (i.e., a notional value in excess of the assets needed to establish and/or maintain the derivative position), adverse changes in the value or level of the underlying asset, rate or index may result in a loss substantially greater than the amount invested in the derivative itself. See "Leveraging Risk" below.

A Fund's use of derivatives may be subject to special tax rules and could generate additional taxable income for shareholders. In addition, the tax treatment of a Fund's use of derivatives may be unclear because there is little case or other law interpreting the terms of most derivatives or determining their tax treatment. See "Distributions and Taxes" below.

Derivatives Regulation. The U.S. government has enacted legislation that provides for new regulation of the derivatives market, including clearing, margin, reporting, and registration requirements. The European Union (and some other countries) are implementing similar requirements, which will affect a Fund when it enters into a derivatives transaction with a counterparty organized in that country or otherwise subject to that country's derivatives regulations. Because these requirements are new and evolving (and some of the rules are not yet final), their ultimate impact remains unclear.

Transactions in some types of swaps (including interest rate swaps and credit default swaps on North American and European indices) are required to be centrally cleared. In a transaction involving those swaps ("cleared derivatives"), a Fund's counterparty is a clearing house rather than a bank or broker. Since the Funds are not members of clearing houses and only members of a clearing house ("clearing members") can participate directly in the clearing house, the Funds hold cleared derivatives through accounts at clearing members. In cleared derivatives positions, the Funds make payments (including margin payments) to and receive payments from a clearing house through their accounts at clearing members. Clearing members guarantee performance of their clients' obligations to the clearing house.

In some ways, cleared derivative arrangements are less favorable to mutual funds than bilateral arrangements, for example, by requiring that funds provide more margin for their cleared derivatives positions. Also, as a general matter, in contrast to a bilateral derivatives position, following a period of notice to a Fund, a clearing member at any time can require termination of an existing cleared derivatives position or an increase in margin requirements above those required at the outset of a transaction. Clearing houses also have broad rights to increase margin requirements for existing positions or to terminate those positions at any time. Any increase in margin requirements or termination of existing cleared derivatives positions by the clearing member or the clearing house could interfere with the ability of a Fund to pursue its investment strategy. Further, any increase in margin requirements by a clearing member could expose a Fund to greater credit risk to its clearing member because margin for cleared derivatives positions in excess of a clearing house's margin requirements typically is held by the clearing member (see "Counterparty Risk" below). Also, a Fund is subject to risk if it enters into a derivatives transaction that is required to be cleared (or that GMO expects to be cleared), and no clearing member is willing or able to clear the transaction on the Fund's behalf. While the documentation in place between the Funds and their clearing members generally provides that the clearing members will accept for clearing all cleared derivatives transactions that are within credit limits (specified in advance) for each Fund, the Funds are still subject to the risk that no clearing member will be willing or able to clear a transaction. In those cases, the position might have to be terminated, and the Fund could lose some or all of the benefit of the position, including loss of an increase in the value of the position and loss of hedging protection. In addition, the documentation governing the relationship between the Funds and clearing members is drafted by the clearing members and generally is less favorable to the Funds than typical bilateral derivatives documentation. For example, documentation relating to cleared derivatives generally includes a one-way indemnity by the Funds in favor of the clearing member for losses the clearing member incurs as the Funds' clearing member and typically does not provide the Funds any remedies if the clearing member defaults or becomes insolvent. While futures contracts entail similar risks, the risks likely are more pronounced for cleared derivatives due to their more limited liquidity and market history.

Some types of cleared derivatives are required to be executed on an exchange or on a swap execution facility. A swap execution facility is a trading platform where multiple market participants can execute derivatives by accepting bids and offers made by multiple other participants in the platform. While this execution requirement is designed to increase transparency and liquidity in the cleared

derivatives market, trading on a swap execution facility can create additional costs and risks for the Funds. For example, swap execution facilities typically charge fees, and if a Fund executes derivatives on a swap execution facility through a broker intermediary, the intermediary may impose fees as well. Also, a Fund may indemnify a swap execution facility, or a broker intermediary who executes cleared derivatives on a swap execution facility on the Fund's behalf, against any losses or costs that may be incurred as a result of the Fund's transactions on the swap execution facility. If a Fund wishes to execute a package of transactions that include a swap that is required to be executed on a swap execution facility as well as other transactions (for example, a transaction that includes both a security and an interest rate swap that hedges interest rate exposure with respect to such security), the Fund may be unable to execute all components of the package on the swap execution facility. In that case, the Fund would need to trade some components of the package on the swap execution facility and other components in another manner, which could subject the Fund to the risk that some components would be executed successfully and others would not, or that the components would be executed at different times, leaving the Fund with an unhedged position for a period of time.

The U.S. government and the European Union have proposed mandatory minimum margin requirements for bilateral derivatives. Such requirements could increase the amount of margin required to be provided by a Fund in connection with its derivatives transactions and, therefore, make derivatives transactions more expensive.

These and other new rules and regulations could, among other things, further restrict a Fund's ability to engage in, or increase the cost to the Fund of, derivatives transactions, for example, by making some types of derivatives no longer available to the Fund or otherwise limiting liquidity. The implementation of the clearing requirement has increased the costs of derivatives transactions for the Funds, since the Funds have to pay fees to their clearing members and are typically required to post more margin for cleared derivatives than they have historically posted for bilateral derivatives. The costs of derivatives transactions are expected to increase further as clearing members raise their fees as to cover the costs of additional capital requirements and other regulatory changes applicable to the clearing members, and when rules imposing mandatory minimum margin requirements on bilateral swaps become effective. These rules and regulations are new and evolving, so their potential impact on the Funds and the financial system are not yet known. While the new rules and regulations and central clearing of some derivatives transactions are designed to reduce systemic risk (i.e., the risk that the interdependence of large derivatives dealers could cause them to suffer liquidity, solvency or other challenges simultaneously), there is no assurance that they will achieve that result, and in the meantime, as noted above, central clearing and related requirements expose the Funds to new kinds of costs and risks.

Options. Some Funds, particularly Risk Premium Fund, are permitted to write options. The market price of an option is affected by many factors, including changes in the market prices or dividend rates of underlying securities (or in the case of indices, the securities in such indices); the time remaining before expiration; changes in interest rates or exchange rates; and changes in the actual or perceived volatility of the relevant stock market and underlying securities. The market price of an option also may be adversely affected if the market for the option becomes less liquid. In addition, since an American-style option allows the holder to exercise its rights any time before the option's expiration, the writer of an American-style option has no control over when it will be required to fulfill its obligations as a writer of the option. (The writer of a European-style option is not subject to this risk because the holder may only exercise the option on its expiration date.) If a Fund writes a call option and does not hold the underlying security or instrument, the Fund's potential loss is theoretically unlimited.

National securities exchanges generally have established limits on the maximum number of options an investor or group of investors acting in concert may write. A Fund, GMO, and other funds advised by GMO will likely constitute such a group. If applicable, these limits restrict a Fund's ability to purchase or write options on a particular security.

Unlike exchange-traded options, which are standardized with respect to the underlying instrument, expiration date, contract size, and strike price, the terms of OTC options (i.e., options not traded on exchanges) generally are established through negotiation with the other party to the option contract. While a Fund has greater flexibility to tailor an OTC option, OTC options generally expose a Fund to greater credit risk than exchange-traded options, which are guaranteed by the clearing organization of the exchanges where they are traded. Purchasing and writing put and call options are highly specialized activities and entail greater than ordinary market risks.

Special tax rules apply to a Fund's transactions in options, which could increase the taxes payable by shareholders. In particular, a Fund's options transactions potentially could cause a substantial portion of the Fund's income to consist of net short-term capital gain, which, when distributed, is taxable to shareholders subject to U.S. income tax at ordinary income tax rates. Due to Risk Premium Fund's primary investment strategy of selling put options on various stock indices, a substantial portion of that Fund's income could consist of short-term capital gains. See "Distributions and Taxes" below for more information.

Short Investment Exposure. Some Funds may sell securities or currencies short as part of their investment programs in an attempt to increase their returns or for hedging purposes. Short sales expose a Fund to the risk that it will be required to acquire, convert, or exchange a security or currency to replace the borrowed security or currency when the security or currency sold short has appreciated in value, thus resulting in a loss to the Fund. Purchasing a security or currency to close out a short position can itself cause the price of the security or currency to rise further, thereby exacerbating any losses. A Fund that sells short a security or currency it does not own also may have to pay borrowing fees to a broker and may be required to pay the broker any dividends or interest it receives on a borrowed security.

A Fund also may create short investment exposure by taking a derivative position in which the value of the derivative moves in the opposite direction from the price of an underlying investment, pool of investments, index or currency. See “Derivatives and Short Sales Risk” above for a discussion of the specific risks of a Fund’s investments in derivatives.

Short sales of securities or currencies a Fund does not own and “short” derivative positions involve forms of investment leverage, and the amount of the Fund’s potential loss is theoretically unlimited. A Fund is subject to increased leveraging risk and other investment risks described in this “Description of Principal Risks” section to the extent it sells short securities or currencies it does not own or takes “short” derivative positions.

• **NON-U.S. INVESTMENT RISK.** Funds that invest in non-U.S. securities are subject to additional and more varied risks than Funds that only invest in U.S. securities. Non-U.S. securities markets often include securities of only a small number of companies in a small number of industries. As a result, the market prices of many of the securities traded on those markets fluctuate more than those of U.S. securities. In addition, issuers of non-U.S. securities often are not subject to as much regulation as U.S. issuers, and the reporting, accounting, custody, and auditing standards to which those issuers are subject differ, in some cases significantly, from U.S. standards. Transactions in non-U.S. securities generally involve higher commission rates, transfer taxes, and custodial costs. In addition, some jurisdictions may limit a Fund’s ability to profit from short-term trading (as defined in the relevant jurisdiction).

A Fund may be subject to non-U.S. taxation, including potentially on a retroactive basis, on (i) capital gains it realizes or dividends, interest, or other amounts it realizes or accrues in respect of non-U.S. investments, (ii) transactions in those investments, and (iii) repatriation of proceeds generated from the sale or other disposition of those investments. A Fund may seek a refund of taxes paid, but its efforts may not be successful, in which case the Fund will have incurred additional expenses for no economic benefit. A Fund’s decision to seek a refund is in its sole discretion, and, particularly in light of the cost involved, it may decide not to seek a refund, even if eligible. The outcome of a Fund’s efforts to obtain a refund is not predictable, and some refunds may not be reflected in a Fund’s net asset value.

A Fund’s investment either directly or indirectly through a wholly-owned subsidiary could affect the amount, timing and character of its distributions and could cause the Fund to recognize taxable income in excess of the cash generated by such investment, requiring the Fund in turn to liquidate investments at disadvantageous times to generate cash needed to make required distributions. See “Taxes” in the SAI for more information about the tax consequences of a Fund’s investments in a wholly-owned subsidiary.

Also, investing in non-U.S. securities exposes a Fund to the risk of nationalization, expropriation, or confiscatory taxation of assets of their issuers, other government involvement in the economy or in the affairs of specific companies or industries (including in the case of wholly or partially state-owned enterprises), adverse changes in investment regulations, capital requirements or exchange controls (which may include suspension of the ability to transfer currency from a country), and adverse political and diplomatic developments, including the imposition of economic sanctions.

In some non-U.S. securities markets, custody arrangements for securities provide significantly less protection than custody arrangements in U.S. securities markets, and prevailing custody and trade settlement practices (e.g., the requirement to pay for securities prior to receipt) expose a Fund to credit and other risks it does not have in the United States with respect to brokers, custodians, clearing banks or other clearing agents, escrow agents, and issuers. Fluctuations in foreign currency exchange rates also affect the market value of a Fund’s non-U.S. investments (see “Currency Risk” below).

The Funds need a license to invest directly in many non-U.S. securities markets. These licenses are often subject to limitations, including maximum investment amounts. Once a license is obtained, a Fund’s ability to continue to invest directly is subject to the risk that the license will be terminated or suspended. If a license to invest in a particular market is terminated or suspended, to obtain exposure to that market the Fund will be required to purchase American Depositary Receipts, Global Depositary Receipts, shares of other funds that are licensed to invest directly, or derivative instruments. The receipt of a non-U.S. license by one of GMO’s clients may preclude other clients, including a Fund, from obtaining a similar license, and this could limit the Fund’s investment opportunities. In addition, the activities of a GMO client could cause the suspension or revocation of a license and thereby limit the Funds’ investment opportunities.

Funds that invest a significant portion of their assets in securities of issuers tied economically to emerging countries (or investments related to emerging markets) are subject to greater non-U.S. investment risk than Funds investing primarily in more developed non-U.S. countries (or markets). The risks of investing in those securities include: greater fluctuations in currency exchange rates; increased risk of default (by both government and private issuers); greater social, economic, and political uncertainty and instability (including the risk of war or natural disaster); increased risk of nationalization, expropriation, or other confiscation of assets of issuers of securities in a Fund’s portfolio; greater governmental involvement in the economy or in the affairs of specific companies or industries (including in the case of wholly or partially state-owned enterprises); less governmental supervision and regulation of the securities markets and participants in those markets; controls on non-U.S. investment, capital controls and limitations on repatriation of invested capital, dividends, interest and other income and on a Fund’s ability to exchange local currencies for U.S. dollars; inability to purchase and sell investments or otherwise settle security or derivative transactions (i.e., a market freeze); unavailability of currency hedging techniques; differences in, or lack of, auditing and financial reporting standards and resulting unavailability of material information about issuers; slower clearance and settlement; difficulties in obtaining and enforcing legal judgments; and significantly smaller market capitalizations of issuers. In addition, the economies of emerging countries may be predominantly based on only a few industries or dependent on revenues from particular commodities.

• **CURRENCY RISK.** Currency risk is the risk that fluctuations in exchange rates will adversely affect the market value of a Fund's investments. Currency risk includes the risk that the foreign currencies in which a Fund's investments are traded, in which a Fund receives income, or in which a Fund has taken a position, will decline in value relative to the U.S. dollar. Currency risk also includes the risk that the currency to which the Fund has obtained exposure through hedging declines in value relative to the currency being hedged, in which event the Fund may realize a loss on both the hedging instrument and the currency being hedged. Currency exchange rates can fluctuate significantly for many reasons. See "Market Disruption and Geopolitical Risk" below.

Many of the Funds use derivatives to take currency positions that are under- or over-weighted (in some cases significantly) relative to the currency exposure of their portfolios and their benchmarks. If the exchange rates of the currencies involved do not move as expected, a Fund could lose money on both its holdings of a particular currency and the derivative. See also "Non-U.S. Investment Risk" above.

Some currencies are illiquid (e.g., some emerging country currencies), and a Fund may not be able to convert them into U.S. dollars, in which case GMO may decide to purchase U.S. dollars in a parallel market with an unfavorable exchange rate. Exchange rates for many currencies (e.g., some emerging country currencies) are particularly affected by exchange control regulations.

Derivative transactions in foreign currencies (such as futures, forwards, options, and swaps) may involve leveraging risk in addition to currency risk, as described below under "Leveraging Risk." In addition, the obligations of counterparties in currency derivative transactions are often not secured by collateral, which increases counterparty risk (see "Counterparty Risk" below).

• **FOCUSED INVESTMENT RISK.** Funds with investments that are focused in particular countries, regions, sectors, industries or issuers that are subject to the same or similar risk factors and funds with investments whose prices are strongly correlated are subject to greater overall risk than funds with investments that are more diversified.

A Fund that invests in the securities of a small number of issuers has greater exposure to adverse developments affecting those issuers and to a decline in the market price of particular securities than Funds investing in the securities of a larger number of issuers. Securities, sectors, or companies that share common characteristics are often subject to similar business risks and regulatory burdens, and often react similarly to specific economic, market, political or other developments.

Similarly, Funds having a significant portion of their assets in investments tied economically (or related) to a particular geographic region, country (e.g., Taiwan or Japan) or market (e.g., emerging markets) have more exposure to regional and country economic risks than funds making investments throughout the world. The political and economic prospects of one country or group of countries within the same geographic region may affect other countries in that region, and a recession, debt crisis or decline in the value of the currency of one country can spread to other countries. Furthermore, companies in a particular geographic region or country are vulnerable to events affecting other companies in that region or country because they often share common characteristics, are exposed to similar business risks and regulatory burdens, and react similarly to specific economic, market, political or other developments. See also "Non-U.S. Investment Risk" above.

Because Resources Fund concentrates its investments in the natural resources sector, it is particularly exposed to adverse developments, including adverse price movements, affecting issuers in the natural resources sector and is subject to greater risks than a fund that invests in a wider range of industries. In addition, the market prices of securities of companies in the natural resources sector may be more volatile than those of securities of companies in other industries. Some of the commodities used as raw materials or produced by these companies are subject to broad price fluctuations as a result of industry-wide supply and demand factors. Companies in the natural resources sector often have limited pricing power over the supplies they purchase and the products they sell, which can affect their profitability. Companies in the natural resources sector also may be subject to special risks associated with natural or man-made disasters. In addition, the natural resources sector can be especially affected by political and economic developments, government regulations including changes in tax law or interpretations of law, energy conservation, and the success of exploration projects. Specifically, the natural resource sector can be significantly affected by import controls, worldwide competition, changes in consumer sentiment and spending, and can be subject to liability for, among other things, environmental damage, depletion of resources, and mandated expenditures for safety and pollution control. Resources Fund's concentration in the securities of natural resource companies exposes it to the price movements of natural resources to a greater extent than if it were more broadly diversified. Because Resources Fund invests primarily in the natural resources sector, it runs the risk of performing poorly during an economic downturn or a decline in demand for natural resources.

Because Risk Premium Fund can have substantial exposure through a limited number of options contracts and because the Fund's exposures may relate to relatively few stock indices, the Fund is subject to focused investment risk.

• **LEVERAGING RISK.** The use of reverse repurchase agreements and other derivatives and securities lending creates leverage (i.e., a Fund's investment exposures exceed its net asset value). Leverage increases a Fund's losses when the value of its investments (including derivatives) declines. Because many derivatives have a leverage component (i.e., a notional value in excess of the assets needed to establish or maintain the derivative position), adverse changes in the value or level of the underlying asset, rate, or index may result in a loss substantially greater than the amount invested in the derivative itself. In the case of swaps, the risk of loss generally is related to a notional principal amount, even if the parties have not made any initial investment. Some derivatives have the potential for unlimited loss, regardless of the size of the initial investment. A Fund's portfolio also will be leveraged if it borrows money to meet redemption requests or settle investment transactions or if it exercises its right to delay payment on a redemption.

A Fund may manage some of its derivative positions by offsetting derivative positions against one another or against other assets. To the extent offsetting positions do not behave in relation to one another as expected, a Fund may perform as if it were leveraged.

• **COUNTERPARTY RISK.** Funds that enter into contracts with counterparties, such as repurchase or reverse repurchase agreements or OTC derivatives contracts, or that lend their securities run the risk that the counterparty will be unable or unwilling to make timely settlement payments or otherwise honor its obligations. If a counterparty fails to meet its contractual obligations, goes bankrupt, or otherwise experiences a business interruption, the Fund could miss investment opportunities or otherwise hold investments it would prefer to sell, resulting in losses for the Fund. In addition, a Fund may suffer losses if a counterparty fails to comply with applicable laws or other requirements. The Funds are not subject to any limits on their exposure to any one counterparty nor to a requirement that counterparties with whom they enter into contracts maintain a specific rating by a nationally recognized rating organization. Counterparty risk is pronounced during unusually adverse market conditions and is particularly acute in environments (like those of 2008) in which financial services firms are exposed to systemic risks of the type evidenced by the insolvency of Lehman Brothers and subsequent market disruptions.

Participants in OTC derivatives markets typically are not subject to the same level of credit evaluation and regulatory oversight as are members of exchange-based markets, and, therefore, OTC derivatives generally expose a Fund to greater counterparty risk than exchange-traded derivatives. A Fund is subject to the risk that a counterparty will not settle a derivative in accordance with its terms because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem. If a counterparty's obligation to a Fund is not collateralized, then the Fund is essentially an unsecured creditor of the counterparty. If a counterparty defaults, the Fund will have contractual remedies (whether or not the obligation is collateralized), but the Fund may be unable to enforce them, thus causing the Fund to suffer a loss. Counterparty risk is greater for derivatives with longer maturities because of the longer time during which events may occur that prevent settlement. Counterparty risk also is greater when a Fund has entered into derivatives contracts with a single or small group of counterparties as it sometimes does as a result of its use of swaps and other OTC derivatives. Funds that use swap contracts are subject, in particular, to the creditworthiness of the counterparties because some types of swap contracts have durations longer than six months (and, in some cases, decades). The creditworthiness of a counterparty may be adversely affected by greater than average volatility in the markets, even if the counterparty's net market exposure is small relative to its capital. Counterparty risk still exists even if a counterparty's obligations are secured by collateral because the Fund's interest in the collateral may not be perfected or additional collateral may not be promptly posted as required. To the extent that GMO's view with respect to a particular counterparty changes adversely (whether due to external events or otherwise), a Fund's existing transactions with that counterparty will not necessarily be terminated or modified. In addition, a Fund may enter into new transactions with a counterparty that GMO no longer considers a desirable counterparty if the transaction is primarily designed to reduce the Fund's overall risk of potential exposure to that counterparty (for example, re-establishing the transaction with a lower notional amount).

The Funds also are subject to counterparty risk because they execute their securities transactions through brokers and dealers. If a broker or dealer fails to meet its contractual obligations, goes bankrupt, or otherwise experiences a business interruption, the Funds could miss investment opportunities or be unable to dispose of investments they would prefer to sell, resulting in losses for the Funds.

Counterparty risk with respect to derivatives has been and will continue to be affected by new rules and regulations relating to the derivatives market. As described under "Derivatives and Short Sales Risk" above, some derivatives transactions are required to be centrally cleared, and a party to a cleared derivatives transaction is subject to the credit risk of the clearing house and the clearing member through which it holds its cleared position. Credit risk of market participants with respect to derivatives that are centrally cleared is concentrated in a few clearing houses, and it is not clear how an insolvency proceeding of a clearing house would be conducted and what impact an insolvency of a clearing house would have on the financial system.

• **COMMODITIES RISK.** Commodity prices can be extremely volatile and are affected by many factors. Exposure to commodities can cause the net asset value of a Fund's shares to decline or fluctuate in a rapid and unpredictable manner. The value of commodity-related derivatives or indirect investments in commodities may fluctuate more than the commodity, commodities or commodity index to which they relate. See "Derivatives and Short Sales Risk" above for a discussion of specific risks of a Fund's derivatives investments, including commodity-related derivatives.

• **MERGER ARBITRAGE RISK.** Some Funds may engage in transactions in which a Fund purchases securities at prices below the value of the consideration GMO expects to be paid for them upon consummation of a proposed merger, exchange offer, tender offer, or other similar transaction ("merger arbitrage transactions"). The purchase price may substantially exceed the market price of the securities before the announcement of the transaction.

If a Fund engages in a merger arbitrage transaction and that transaction later appears unlikely to be consummated or, in fact, is not consummated or is delayed, the market prices of the securities purchased by the Fund may decline sharply, resulting in losses to the Fund. The risk/reward payout of merger arbitrage strategies typically is asymmetric — the losses in failed transactions often far exceeding the gains in successful transactions. A merger arbitrage transaction can fail for many reasons, including regulatory and antitrust restrictions, political motivations, industry weakness, stock specific events, failed financings, and general market declines.

Merger arbitrage strategies depend for success on the overall volume of merger activity, which has historically been cyclical. When merger activity is low, GMO may be unable to identify enough opportunities to provide sufficient diversification.

Merger arbitrage strategies are subject to the risk of overall market movements, and a Fund may experience losses even if a transaction is consummated. A Fund's investments in derivatives or short sales of securities to hedge or otherwise adjust long or short investment exposure in connection with a merger arbitrage transaction may not perform as expected or may otherwise reduce the Fund's gains or increase its losses. Also, a Fund may be unable to hedge against market fluctuations or other risks. In addition, a Fund that sells securities short that GMO expects it to receive upon consummation of a transaction but it does not actually receive (and thus has an unintended "naked" short position) may be required to cover its short position at a time when the securities sold short have appreciated in value, thus resulting in a loss.

• **MARKET DISRUPTION AND GEOPOLITICAL RISK.** The Funds are subject to the risk that geopolitical and other events will disrupt securities markets and adversely affect global economies and markets, thereby decreasing the value of the Funds' investments. Sudden or significant changes in the supply or prices of commodities or other economic inputs (e.g., the marked decline in oil prices in late 2014) may have material and unexpected effects on both global securities markets and individual countries, regions, sectors, companies, or industries, which could significantly reduce the value of a Fund's investments. Terrorism in the United States and around the world has increased geopolitical risk. The terrorist attacks on September 11, 2001 resulted in the closure of some U.S. securities markets for four days, and similar attacks are possible in the future. Securities markets may be susceptible to market manipulation (e.g., the manipulation of the London Interbank Offered Rate (LIBOR)) or other fraudulent trade practices, which could disrupt the orderly functioning of these markets or reduce the value of investments traded in them, including investments of the Funds. While the U.S. government has always honored its credit obligations, a default by the U.S. government (as has been threatened in recent years) would be highly disruptive to the U.S. and global securities markets and could significantly reduce the value of the Funds' investments. Similarly, political events within the United States at times have resulted, and may in the future result, in a shutdown of government services, which could adversely affect the U.S. economy, decrease the value of many Fund investments, and increase uncertainty in or impair the operation of the U.S. or other securities markets. Uncertainty surrounding the sovereign debt of several European Union countries, as well as the continued existence of the European Union itself, has disrupted and may continue to disrupt markets in the United States and around the world. If one or more country changes its currency or leaves the European Union or if the European Union dissolves, the world's securities markets likely will be significantly disrupted. Substantial government interventions (e.g., currency controls) also could adversely affect the Funds. War, terrorism, economic uncertainty, and related geopolitical events have led, and in the future may lead, to increased short-term market volatility and may have adverse long-term effects on U.S. and world economies and markets generally. Likewise, natural and environmental disasters, such as the earthquake and tsunami in Japan in early 2011, and systemic market dislocations of the kind surrounding the insolvency of Lehman Brothers in 2008, if repeated, would be highly disruptive to economies and markets, adversely affecting individual companies and industries, securities markets, interest rates, credit ratings, inflation, investor sentiment, and other factors affecting the value of the Funds' investments. During such market disruptions, the Funds' exposure to the risks described elsewhere in this "Description of Principal Risks" section will likely increase. Market disruptions, including sudden government interventions, can also prevent the Funds from implementing their investment programs and achieving their investment objectives. For example, a market disruption may adversely affect the orderly functioning of the securities markets and may cause the Funds' derivatives counterparties to discontinue offering derivatives on some underlying commodities, securities, reference rates, or indices, or to offer them on a more limited basis. To the extent a Fund has focused its investments in the stock index of a particular region, adverse geopolitical and other events in that region could have a disproportionate impact on the Fund.

• **LARGE SHAREHOLDER RISK.** To the extent a large number of shares of a Fund is held by a single shareholder (e.g., an institutional investor or another GMO Fund) or a group of shareholders with a common investment strategy (e.g., GMO asset allocation accounts), the Fund is subject to the risk that a redemption by those shareholders of all or a large portion of their Fund shares will adversely affect the Fund's performance by forcing the Fund to sell portfolio securities to raise the cash needed to satisfy the redemption request. In addition, the Funds and other accounts over which GMO has investment discretion that invest in the Funds are not limited in how often they may purchase or sell Fund shares. The Asset Allocation Funds and separate accounts managed by GMO for its clients hold substantial percentages of the shares of many Funds, and asset allocation decisions by GMO may result in substantial redemptions from (or investments in) those Funds. These transactions may adversely affect the Fund's performance to the extent that the Fund is required to sell investments (or invest cash) when it would not otherwise do so. Redemptions of a large number of shares also may increase transaction costs or, by necessitating a sale of portfolio securities, have adverse tax consequences for Fund shareholders. Additionally, redemptions by a large shareholder also potentially limit the use of any capital loss carryforwards and certain other losses to offset future realized capital gains (if any) and may limit or prevent a Fund's use of tax equalization. In addition, to the extent a Fund invests in other GMO Funds subject to large shareholder risk, the Fund is indirectly subject to this risk.

• **MANAGEMENT AND OPERATIONAL RISK.** Each Fund is subject to management risk because it relies on GMO to achieve its investment objective. Each Fund runs the risk that GMO's investment techniques will fail to produce desired results and cause the Fund to incur significant losses. GMO also may fail to use derivatives effectively, choosing to hedge or not to hedge positions at disadvantageous times. In the case of Tax-Managed International Equities Fund, GMO's tax-management strategies may be ineffective or limited by market conditions, the timing of cash flows into and out of the Fund, and current or future developments in tax legislation and regulation.

As described in the Fund summaries, for some Funds, GMO uses quantitative analyses and models as part of its investment process and, in the case of GMO Systematic Global Macro Opportunity Fund, a GMO Fund not offered by this Prospectus, those models are one of the key drivers of investment decisions. All models support portfolio decisions but are not necessarily predictive of future market

events. These analyses and models also make simplifying assumptions that may limit their effectiveness. In addition, there are limitations (e.g., inaccuracies, staleness) on the data available for analysis or manipulation by the models. Any of those assumptions and/or limitations could adversely affect a Fund's performance. The Funds also run the risk that GMO's assessment of an investment may be wrong.

There can be no assurance that key GMO personnel will continue to be employed by GMO. The loss of their services could have an adverse impact on GMO's ability to achieve the Funds' investment objectives.

The Funds also are subject to the risk of loss as a result of other services provided by GMO and other service providers, including pricing, administrative, accounting, tax, legal, custody, transfer agency, and other services. Operational risk includes the possibility of loss caused by inadequate procedures and controls, human error, and system failures by a service provider. For example, trading delays or errors could prevent a Fund from benefiting from potential investment gains or avoiding losses. GMO is not contractually liable to the Funds for losses associated with operational risk absent its willful misfeasance, bad faith, gross negligence, or reckless disregard of its contractual obligations to provide services to the Funds. Other Fund service providers also have contractual limitations on their liability to the Funds for losses resulting from their errors.

The Funds and their service providers (including GMO) are susceptible to cyber-attacks and technological malfunctions that may have effects that are similar to those of a cyber-attack. Cyber-attacks include, among others, stealing or corrupting data maintained online or digitally, preventing legitimate users from accessing information or services on a website, releasing confidential information without authorization, and causing operational disruption. Successful cyber-attacks against, or security breakdowns of, a Fund, GMO, a sub-adviser, or a custodian, transfer agent, or other service provider may adversely affect the Fund or its shareholders. For instance, cyber-attacks may interfere with the processing of shareholder transactions, affect a Fund's ability to calculate its net asset value, cause the release of private shareholder information or confidential Fund information, impede trading, cause reputational damage, and subject the Fund to regulatory fines, penalties or financial losses, reimbursement or other compensation costs, and additional compliance costs. While GMO has established business continuity plans and systems designed to prevent cyber-attacks, such plans and systems are subject to inherent limitations. Similar types of cyber security risks also are present for issuers of securities in which the Funds invest, which could result in material adverse consequences for such issuers, and may cause a Fund's investment in such securities to lose value.

• **FUND OF FUNDS RISK AND RELATED CONSIDERATIONS.** Funds that invest in Underlying Funds, including other GMO Funds, closed-end funds, money market funds, ETFs and other investment companies, or in a wholly-owned subsidiary are exposed to the risk that the Underlying Funds or wholly-owned subsidiary will not perform as expected. The Funds also are indirectly exposed to all of the risks of an investment in the Underlying Funds or a wholly-owned subsidiary.

Because a Fund bears the fees and expenses of any Underlying Fund or wholly-owned subsidiary in which it invests (absent reimbursement of those fees and expenses), the Fund will incur additional expenses when investing in an Underlying Fund or wholly owned subsidiary. In addition, total Fund expenses will increase if a Fund makes a new or further investment in Underlying Funds with higher fees or expenses than the average fees and expenses of the Underlying Funds then in the Fund's portfolio, or invests through a new wholly-owned subsidiary.

Because some Underlying Funds (e.g., many of the Bond Funds) invest a substantial portion of their assets in other GMO Funds (pursuant to an exemptive order obtained from the SEC), the Asset Allocation Funds have more tiers of investments than funds in many other groups of investment companies and therefore may be subject to greater fund of funds risk. In addition, to the extent a Fund invests in shares of other GMO Funds, it is indirectly subject to Large Shareholder Risk because those other GMO Funds are more likely to have large shareholders (e.g., other GMO Funds). See "Large Shareholder Risk" above.

Investments in ETFs involve the risk that the ETF's performance may not track the performance of the index the ETF is designed to track. In addition, ETFs often use derivatives to track the performance of the relevant index, and, therefore, investments in those ETFs are subject to the same derivatives risks discussed above.

A Fund's investments through one or more Underlying Funds or a wholly-owned subsidiary could affect the amount, timing and character of its distributions and could cause the Fund to recognize taxable income in excess of the cash generated by such investments, requiring the Fund in turn to liquidate investments at disadvantageous times to generate cash needed to make required distributions. See "Distributions and Taxes" below for more information about the tax consequences of a Fund's investments in a wholly-owned subsidiary and "Taxes" in the SAI for more information about the tax consequences of a Fund's investments in Underlying Funds.

• **NON-DIVERSIFIED FUNDS.** Some of the Funds are not "diversified" investment companies within the meaning of the Investment Company Act of 1940, as amended. This means they are allowed to invest in the securities of relatively few issuers. As a result, they may be subject to greater credit, market and other risks, and poor performance by a single issuer may have a greater impact on their performance, than if they were "diversified."

The following Funds are not diversified investment companies within the meaning of the Investment Company Act of 1940, as amended:

- Developed World Stock Fund
- Global Focused Equity Fund
- Tax-Managed International Equities Fund
- Foreign Fund
- Emerging Markets Fund
- Emerging Countries Fund
- Emerging Domestic Opportunities Fund
- Quality Fund
- Resources Fund
- Alpha Only Fund
- Implementation Fund
- Risk Premium Fund
- Special Opportunities Fund
- Taiwan Fund
- all of the Bond Funds (except U.S. Treasury Fund)

In addition, each Asset Allocation Fund and each Bond Fund (other than U.S. Treasury Fund) invests, and Alpha Only Fund may invest, a portion of its assets in shares of one or more other GMO Funds that are not diversified investment companies under the Investment Company Act of 1940, as amended. Except as otherwise noted in the Fund summaries of this Prospectus under “Principal investment strategies,” each of the Asset Allocation Funds may invest without limitation in other GMO Funds that are not diversified.

MANAGEMENT OF THE TRUST

GMO, 40 Rowes Wharf, Boston, Massachusetts 02110, provides investment management and shareholder servicing and supplemental support to the Funds (and to their respective wholly-owned subsidiary or subsidiaries, if any) and other GMO Funds. GMO is a private company, founded in 1977. As of May 31, 2015, GMO managed on a worldwide basis more than \$120 billion.

Subject to the approval of the Trustees, GMO establishes and modifies when it deems appropriate the investment strategies of the Funds. In addition to its management of the Funds’ investment portfolios and the shareholder services and supplemental support it provides to the Funds, GMO administers the Funds’ business affairs.

Except for Implementation Fund, U.S. Treasury Fund and Class MF shares of Benchmark-Free Allocation Fund, each class of shares of a Fund offered by this Prospectus pays GMO directly or indirectly a shareholder service fee for providing client services and reporting, such as performance information, client account information, personal and electronic access to Fund information, access to analysis and explanations of Fund reports, and assistance in maintaining and correcting client-related information. Class MF shares of Benchmark-Free Allocation Fund are subject to a supplemental support fee payable to GMO for providing supplemental support services to Class MF shareholders and their investment advisers. Those supplemental support services include, without limitation, (1) provision and presentation of educational and explanatory information about the Fund and its asset allocation strategy as requested or directed by an investor or its investment adviser, (2) provision and presentation of similar educational and explanatory information about the strategies of the GMO Funds in which the Fund invests, (3) provision and presentation of information for inclusion in the quarterly or other periodic reports of the investor, (4) provision of responses to information requests relating to oversight functions of the investor’s board of directors in areas including pricing, compliance, and taxation, (5) access to and meetings with GMO’s Chief Investment Strategist and Heads of GMO’s Asset Allocation Team and other investment professionals of GMO, (6) assistance with services provided by an investor’s investment adviser, and (7) such other assistance as may be requested from time to time by an investor or its agent, provided that such assistance is not primarily intended to result in the sale of Fund shares.

For the fiscal year ended February 28, 2015, GMO received a management fee (after any applicable waivers or reimbursements) equal to the percentage of each Fund’s average daily net assets set forth in the table below.

Fund	% of Average Net Assets	Fund	% of Average Net Assets
Benchmark-Free Allocation Fund	0.48%	Emerging Domestic Opportunities Fund	0.72%
Global Asset Allocation Fund	0.00%*	Quality Fund	0.31%
Global Equity Allocation Fund	0.00%*	Resources Fund	0.41%
Global Developed Equity Allocation Fund	0.00%*	Global Bond Fund	0.00%
Developed World Stock Fund	0.31%	International Bond Fund	0.00%
Global Focused Equity Fund	0.00%	Currency Hedged International Bond Fund	0.00%
International Equity Allocation Fund	0.00%*	Core Plus Bond Fund	0.10%
International Developed Equity Allocation Fund	0.00%*	Emerging Country Debt Fund	0.35%
Tax-Managed International Equities Fund	0.38%	Debt Opportunities Fund	0.22%
International Equity Fund	0.46%	Alpha Only Fund	0.46%
International Large/Mid Cap Equity Fund	0.31%	Asset Allocation Bond Fund	0.23%
Foreign Fund	0.47%	Benchmark-Free Fund	0.00%*
Foreign Small Companies Fund	0.63%	Risk Premium Fund	0.42%
International Small Companies Fund	0.43%	Strategic Opportunities Allocation Fund	0.00%*
U.S. Equity Allocation Fund	0.29%	Taiwan Fund	0.81%
Emerging Markets Fund	0.72%	U.S. Treasury Fund	0.00%
Emerging Countries Fund	0.36%		

* These Funds do not charge management fees directly but pay the management fees charged by the underlying Fund(s) in which they invest.

As of the date of this Prospectus, Benchmark-Free Bond Fund and Special Opportunities Fund had not operated for a full fiscal year but were paying (or will pay) GMO, as compensation for investment management services, an annual fee equal to 0.50% and 1.10%, respectively, of the Fund's average daily net assets. GMO does not charge Implementation Fund a management fee for the management and administrative services provided to the Fund.

A discussion of the basis for the Trustees' approval of each Fund's investment management contract is included in the Fund's shareholder report for the period during which the Trustees approved that contract, except that, in the case of a new Fund, a discussion of the basis for the Trustees' approval of the Fund's initial investment management contract is included in the Fund's initial shareholder report.

GMO has retained its affiliate, GMO Singapore Pte. Limited, 1 Raffles Place, #53-00, Singapore 048616 ("GMO Singapore"), to assist GMO in furnishing an investment program for Emerging Domestic Opportunities Fund ("EDOF"). GMO Singapore commenced operations in February 2003 and furnishes discretionary investment advisory services, predominantly to institutional clients. Pursuant to a sub-advisory agreement with GMO and EDOF, GMO Singapore makes investment decisions for and places orders for the purchase and sale of securities for, all or part of EDOF's portfolio, as determined by GMO. GMO (and not EDOF) will pay a sub-advisory fee to GMO Singapore for its services at a rate equal to 60% of the management fees received by GMO under EDOF's investment management contract, net of any fee waiver or expense reimbursement obligations of GMO as may be in effect. A discussion of the basis for the Trustees' approval of EDOF's sub-advisory agreement with GMO Singapore is included in EDOF's shareholder report for the period during which the Trustees approved that agreement. See "Distributions and Taxes" below for information regarding certain tax matters relating to the discretionary investment advisory services GMO Singapore provides to EDOF.

Different GMO Investment Teams have primary responsibility for managing the investments of different Funds. Investment Teams may include personnel of both GMO and its affiliates, including GMO Singapore. Each Investment Team's investment professionals work collaboratively and often share investment insights with, and benefit from the insights of, other Investment Teams. For example, the Global Equity Team and the Asset Allocation Team collaborate on performance forecasts for groups of equities. The table below identifies the Investment Teams and the Funds for which they are primarily responsible.

Investment Team	Primary Responsibilities
Asset Allocation	Asset Allocation Funds, Alpha Only Fund, Implementation Fund, and Special Opportunities Fund Asset class forecasts and high-level investment oversight: Developed World Stock Fund, Tax-Managed International Equities Fund, International Equity Fund, International Large/Mid Cap Equity Fund, International Small Companies Fund, U.S. Equity Allocation Fund, and Resources Fund
Global Equity	Developed World Stock Fund, Tax-Managed International Equities Fund, International Equity Fund, International Large/Mid Cap Equity Fund, International Small Companies Fund, U.S. Equity Allocation Fund, Quality Fund, Resources Fund, and Risk Premium Fund
International Active	Global Focused Equity Fund, Foreign Fund, and Foreign Small Companies Fund
Emerging Markets	Emerging Markets Fund, Emerging Countries Fund, Emerging Domestic Opportunities Fund, and Taiwan Fund
Developed Fixed Income	Bond Funds (except Emerging Country Debt Fund)
Emerging Country Debt	Emerging Country Debt Fund

The following table identifies the senior member(s) of the Investment Team(s) with primary responsibility for managing the investments of different Funds and their title and business experience during the past five years. The senior members directly manage, or allocate to members of their Team responsibility for portions of the portfolios of, Funds for which they have responsibility, oversee the implementation of trades, review the overall composition of the Funds' portfolios, including compliance with stated investment objectives and strategies, and monitor cash.

Funds	Senior Member	Title; Business Experience During Past 5 Years
Asset Allocation Funds*, Alpha Only Fund, and Implementation Fund <i>Asset class forecasts and high-level investment oversight:</i> Developed World Stock Fund, Tax-Managed International Equities Fund, International Equity Fund, International Large/Mid Cap Equity Fund, International Small Companies Fund, U.S. Equity Allocation Fund, and Resources Fund	Ben Inker	Co-Head, Asset Allocation Team and Co-Head, Developed Fixed Income Team, GMO. Mr. Inker has been responsible for overseeing the portfolio management of GMO's asset allocation portfolios since 1996 and of GMO's developed fixed income portfolios since November 2014.
	Sam Wilderman	Co-Head, Asset Allocation Team and Co-Head, Developed Fixed Income Team, GMO. Mr. Wilderman has been responsible for overseeing the portfolio management of GMO's asset allocation portfolios since September 2012 and of GMO's developed fixed income portfolios since November 2014. Previously, Mr. Wilderman had been Co-Head of GMO's Global Equity Team since 2009.
Special Opportunities Fund	Ben Inker	See above.
	Sam Wilderman	See above.
	Chris Hudson	Portfolio Manager, Asset Allocation Team, GMO. Mr. Hudson has been responsible for overseeing the portfolio management of certain of GMO's asset allocation portfolios since 2009.
Developed World Stock Fund, Tax-Managed International Equities Fund, International Equity Fund, International Large/Mid Cap Equity Fund, International Small Companies Fund, U.S. Equity Allocation Fund, Quality Fund, Resources Fund, and Risk Premium Fund	Thomas Hancock	Co-Head, Global Equity Team, GMO. Dr. Hancock has been responsible for overseeing the portfolio management of GMO's international developed market and global equity portfolios since 1998.
	David Cowan	Co-Head, Global Equity Team, GMO. Mr. Cowan has provided research and portfolio management services to GMO's global equity portfolios since 2006 and has been the Co-Head of the Global Equity Team since September 2012.
Global Focused Equity Fund	Drew Spangler	Head, International Active Team, GMO. Mr. Spangler has been responsible for overseeing the portfolio management of GMO's international active equity portfolios since May 2011. Previously, Mr. Spangler provided portfolio and research services to GMO's international active equity portfolios since 1994.
	Greg Shell	Portfolio Manager, International Active Team, GMO. Mr. Shell has been responsible for overseeing the portfolio management of GMO's international active equity portfolios since 2009. Previously, Mr. Shell was an analyst at Columbia Management.
Foreign Fund Foreign Small Companies Fund	Drew Spangler	See above.

Funds	Senior Member	Title; Business Experience During Past 5 Years
Emerging Markets Fund Emerging Countries Fund Taiwan Fund	Arjun Divecha	Head, Emerging Markets Team, GMO. Mr. Divecha has been responsible for overseeing the portfolio management of GMO's emerging markets equity portfolios since 1993.
	Warren Chiang	Portfolio Manager, Emerging Markets Team, GMO. Mr. Chiang has been responsible for overseeing the portfolio management of GMO's emerging markets equity portfolios since June 2015. Previously, Mr. Chiang was Managing Director, Head of Active Equity Strategies at Mellon Capital Management.
Emerging Domestic Opportunities Fund	Arjun Divecha	See above.
	Amit Bhartia	Member, Emerging Markets Team, GMO Singapore. Mr. Bhartia has been responsible for overseeing the portfolio management of GMO's emerging markets equity portfolios since 1995.
Bond Funds (except Debt Opportunities Fund and Emerging Country Debt Fund)	Ben Inker	See above.
	Sam Wilderman	See above.
	Michael Emanuel	Portfolio Manager, Developed Fixed Income Team, GMO. Mr. Emanuel has been responsible for providing portfolio management services to GMO's developed fixed income portfolios since 2014. Previously, Mr. Emanuel was a portfolio manager at Convexity Capital Management.
	Greg Jones	Portfolio Manager, Developed Fixed Income Team, GMO. Mr. Jones has been responsible for providing portfolio management and research services to GMO's developed fixed income portfolios since 2008.
Debt Opportunities Fund	Ben Inker	See above.
	Sam Wilderman	See above.
	Joe Auth	Portfolio Manager, Developed Fixed Income Team, GMO. Mr. Auth has been responsible for providing portfolio management services to GMO's structured credit portfolios since 2014. Previously, Mr. Auth was a portfolio manager at Harvard Management Company.
Emerging Country Debt Fund	Thomas Cooper	Head, Emerging Country Debt Team, GMO. Mr. Cooper has been responsible for overseeing the portfolio management of GMO's emerging country debt portfolios since 1994.

* In the case of Implementation Fund, allocations among asset classes are made by the Asset Allocation Team and specific security selections are made primarily by other Investment Teams in collaboration with the Asset Allocation Team. For example, the Global Equity Team selects equity securities within Implementation Fund.

The SAI contains information about how GMO determines the compensation of the senior members, other accounts they manage and related conflicts, and their ownership of Funds for which they have responsibility.

Custodians and Fund Accounting Agents

State Street Bank and Trust Company ("State Street Bank"), One Lincoln Street, Boston, Massachusetts 02111, serves as the Trust's custodian and fund accounting agent on behalf of the Asset Allocation Funds, the Bond Funds, U.S. Equity Allocation Fund, Quality Fund, Implementation Fund, and Risk Premium Fund. Brown Brothers Harriman & Co., 50 Post Office Square, Boston, Massachusetts 02110, serves as the Trust's custodian and fund accounting agent on behalf of the Equity Funds (other than Global Equity Allocation Fund, Global Developed Equity Allocation Fund, International Equity Allocation Fund, International Developed Equity Allocation Fund, U.S. Equity Allocation Fund, and Quality Fund), Alpha Only Fund, and Taiwan Fund. State Street Bank provides similar services with respect to each of Implementation Fund's and Special Opportunities Fund's wholly-owned subsidiary.

Transfer Agent

State Street Bank serves as the Trust's transfer agent on behalf of the Funds.

Expense Reimbursement

Except for Emerging Countries Fund, Resources Fund, Benchmark-Free Bond Fund, Global Bond Fund, Emerging Country Debt Fund, Special Opportunities Fund, and Taiwan Fund, GMO has contractually agreed to reimburse each GMO Fund for its “Specified Operating Expenses” (as defined below). GMO has contractually agreed to reimburse each of Emerging Countries Fund, Resources Fund, Benchmark-Free Bond Fund, Global Bond Fund, and Special Opportunities Fund for the portion of its “Specified Operating Expenses” (as defined below) that exceeds the following percentages of the Fund’s average daily net assets:

Emerging Countries Fund	0.35%
Resources Fund	0.10%
Benchmark-Free Bond Fund	0.05%
Global Bond Fund	0.06%
Special Opportunities Fund	0.10%

As used in this Prospectus, subject to the exclusions noted below, “Specified Operating Expenses” means: audit expenses, fund accounting expenses, pricing service expenses, expenses of non-investment related tax services, transfer agency expenses, expenses of non-investment related legal services provided to the Funds by or at the direction of GMO, federal securities law filing expenses, printing expenses, state and federal registration fees, and custody expenses. In the case of Emerging Markets Fund, “Specified Operating Expenses” does not include custody expenses, and in the case of Emerging Domestic Opportunities Fund, “Specified Operating Expenses” only includes custody expenses to the extent that they exceed 0.10% of the Fund’s average daily net assets.

For each Fund (other than Benchmark-Free Allocation Fund) that pays GMO a management fee, GMO has contractually agreed to waive or reduce that fee, but not below zero, to the extent necessary to offset the management fees paid to GMO that are directly or indirectly borne by the Fund as a result of the Fund’s direct or indirect investments in other GMO Funds.

For each Fund (other than Benchmark-Free Allocation Fund) that charges a shareholder service fee, GMO has contractually agreed to waive or reduce the shareholder service fee charged to holders of each class of shares of the Fund, but not below zero, to the extent necessary to offset the shareholder service fees directly or indirectly borne by the class of shares of the Fund as a result of the Fund’s direct or indirect investments in other GMO Funds.

In addition, for Emerging Markets Fund only, GMO has contractually agreed to waive the shareholder service fee charged to holders of each class of shares of the Fund offered by this Prospectus to the extent necessary to prevent the shareholder service fees borne by each class of shares of the Fund from exceeding the percentage of the class’s average daily net assets specified in the Fund’s “Annual Fund operating expenses” table.

These contractual waivers and reimbursements will continue through at least June 30, 2016 for each Fund unless the Fund’s Board of Trustees authorizes their modification or termination or reduces the fee rates paid to GMO under the Fund’s management contract or servicing and supplement support agreement.

In addition to the contractual waivers and reimbursements described above, GMO has voluntarily waived U.S. Treasury Fund’s entire management fee. GMO may change or terminate this waiver at any time. While this waiver is in effect, the Fund will incur management fees at a lower annual rate than the rate shown in the “Annual Fund operating expenses” table in the Fund’s summary, and, as a result, total annual operating expenses after expense reimbursement for the Fund will be lower than the amount(s) shown in the table.

For Benchmark-Free Allocation Fund only, the fees payable to GMO under its management contract and servicing and supplemental support agreement are reduced by amounts equal to the management fees and shareholder service fees, respectively, that GMO receives as a result of the Fund’s investment in underlying GMO Funds. In addition, effective March 1, 2014, GMO has contractually agreed to reduce the rate of the supplemental support fees charged to the Fund’s Class MF shares to a rate to be charged in any month (starting on the first business day of the month) based on the net assets attributable to Class MF shares as of the last business day of the preceding month based on the following schedule: 0.10% on the first \$6 billion of net assets, 0.05% on the next \$2 billion, 0.03% on the next \$2 billion, and 0.01% thereafter; provided, however, that the effective rate charged at any time will not be reduced to less than 0.06% of Class MF’s average daily net assets. The rate will be calculated before giving effect to any reduction or waiver described above, and any applicable reduction or waiver will serve to further reduce the supplemental support fees paid to GMO. This reduction will continue through at least June 30, 2016, and may not be terminated prior to this date without the action or consent of the Fund’s Board of Trustees.

Additional Information

The Trust enters into contractual arrangements with various parties, including, among others, the Funds’ investment manager, shareholder service provider, sub-adviser, custodians and fund accounting agents, transfer agent, distributor and placement agent, who provide services to the Funds. Shareholders are not parties to, or intended (or “third-party”) beneficiaries of, any of those contractual arrangements, and those contractual arrangements are not intended to create in any individual shareholder or group of shareholders any right to enforce them against the service providers or to seek any remedy under them against the service providers, either directly or on behalf of the Trust.

This Prospectus provides information concerning the Trust and the Funds that you should consider in determining whether to purchase shares of a Fund. None of this Prospectus, the SAI or any contract that is an exhibit to the Trust’s registration statement, is intended to, nor does it, give rise to an agreement or contract between the Trust or the Funds and any investor, or give rise to any contract or other rights in any individual shareholder, group of shareholders or other person other than any rights conferred explicitly by federal or state securities laws that may not be waived.

DETERMINATION OF NET ASSET VALUE

The net asset value or “NAV” of a Fund or each class of shares of a Fund, as applicable, is determined as of the close of regular trading on the NYSE, generally at 4:00 p.m. Eastern time. Current net asset values per share for each series of GMO Trust are available at www.gmo.com.

The NAV per share of a class of shares of a Fund is determined by dividing the total value of the Fund’s portfolio investments and other assets, less any liabilities, allocated to that share class by the total number of outstanding shares of that class. NAV is not determined on any days when the NYSE is closed for business. In addition, NAV for the Bond Funds and Special Opportunities Fund is not determined (and accordingly transactions in shares of the Bond Funds or Special Opportunities Fund are not processed) on days when either the NYSE or the U.S. bond markets are closed. Taiwan Fund does not determine NAV on days when either the NYSE or the Taiwan Stock Exchange (“TSE”) is closed for trading. As a result, from time to time, Taiwan Fund may not determine NAV for several consecutive weekdays (e.g., during the Chinese Lunar New Year), during which time investors will be unable to redeem their shares in Taiwan Fund. In addition, because some Funds hold portfolio securities listed on non-U.S. exchanges that trade on days on which the NYSE or the U.S. bond markets are closed, the net value of those Funds’ assets may change significantly on days when shares cannot be redeemed.

A Fund may elect not to determine NAV on days when none of its shares are tendered for redemption and it accepts no orders to purchase its shares.

The value of the Funds’ investments is generally determined as follows:

Exchange-traded securities (other than exchange-traded options) for which market quotations are readily available:

- Last sale price or
- Official closing price or
- Most recent quoted price published by the exchange (if no reported last sale or official closing price) or
- Quoted price provided by a pricing source (in the event GMO deems the private market to be a more reliable indicator of market value than the exchange)

(Also, see discussion in “Fair Value” pricing” below.)

Exchange-traded options:

- Exchange-traded options are valued at the last sale price, provided that price is between the closing bid and ask prices. If the last sale price is not within this range, then they will be valued at the closing bid price for long positions and the closing ask price for short positions

Cleared derivatives:

- Price quoted (which may be based on a model) by the relevant clearing house (if an updated quote for a cleared derivative is not available by the time that a Fund calculates its NAV on any business day, then that derivative will generally be valued using an industry standard model, which may differ from the model used by the relevant clearing house)

OTC derivatives:

- Price generally determined by an industry standard model

Unlisted non-fixed income securities for which market quotations are readily available:

- Most recent quoted price

Fixed income securities (includes bonds, asset-backed securities, loans, structured notes):

- Most recent quoted price supplied by a single pricing source chosen by GMO (if an updated quoted price for a fixed income security is not available by the time that a Fund calculates its NAV on any business day, the Fund will generally use the most recent quoted price to value that security)

Note: Reliable quoted prices may not always be available. When they are not available, the Funds may use alternative valuation methodologies (e.g., valuing the relevant assets at “fair value” as described below).

Shares of other GMO Funds and other open-end registered investment companies:

- Most recent NAV

“Quoted price” typically means the bid price for securities held long and the ask price for securities sold short. If a market quotation for a security does not involve a bid or an ask, the “quoted price” may be the price provided by a market participant or other third party pricing source in accordance with the market practice for that security.

The prices of non-U.S. securities quoted in foreign currencies, foreign currency balances, and the value of non-U.S. forward currency contracts are typically translated into U.S. dollars at the close of regular trading on the NYSE, generally at 4:00 p.m. Eastern time, at then current exchange rates or at such other rates as the Trustees or persons acting at their direction may determine in computing NAV.

Although GMO normally does not evaluate pricing sources on a day-to-day basis, it does evaluate pricing sources on an ongoing basis and may change a pricing source at any time. GMO monitors erratic or unusual movements (including unusual inactivity) in the prices supplied for a security and has discretion to override a price supplied by a source (e.g., by taking a price supplied by another) when it believes that the price supplied is not reliable. Alternative pricing sources are often but not always available for securities held by a Fund, although the prices supplied by those alternative sources do not necessarily align with the prices supplied by primary pricing sources.

“Fair Value” pricing:

For all other assets and securities, including derivatives, and in cases where quotations are not readily available or circumstances make an existing valuation methodology or procedure unreliable, the Funds’ investments are valued at “fair value,” as determined in good faith by the Trustees or persons acting at their direction pursuant to procedures approved by the Trustees.

With respect to the Funds’ use of “fair value” pricing, you should note the following:

- ▶ In some cases, a significant percentage of a Fund’s assets may be “fair valued.” Factors that may be considered in determining “fair value” include, among others, the value of other financial instruments traded on other markets, trading volumes, changes in interest rates, observations from financial institutions, significant events (which may be considered to include changes in the value of U.S. securities or securities indices) that occur after the close of the relevant market and before a Fund’s NAV is calculated, other news events, and significant unobservable inputs (including the Fund’s own assumptions in determining the fair value of investments). Because of the uncertainty inherent in fair value pricing, the price determined for a particular security may be materially different from the value realized upon its sale.
- ▶ The valuation methodologies described above are modified for equities that trade in non-U.S. securities markets that close prior to the close of the NYSE due to time zone differences, including the value of equities that underlie futures, options and other derivatives (to the extent the market for those derivatives closes prior to the close of the NYSE). In those cases, the price will generally be adjusted, to the extent practicable and available, based on inputs from an independent pricing service approved by the Trustees that are intended to reflect valuation changes through the NYSE close.
- ▶ A Fund’s use of fair value pricing may cause the Fund’s returns to differ from those of its benchmark or other comparative indices more than would otherwise be the case. For example, a Fund may fair value its international equity holdings as a result of significant events that occur after the close of the relevant market and before the time the Fund’s NAV is calculated. In these cases, the benchmark or index may use the local market closing price, while the Fund uses an adjusted “fair value” price.

NAME POLICIES

To comply with SEC rules regarding the use of descriptive words in a fund’s name, some Funds have adopted policies of investing at least 80% of the value of their net assets plus the amount of any borrowings made for investment purposes in specific types of investments, industries, countries, or geographic regions (each policy, a “Name Policy”). Those Name Policies are described in the “Principal investment strategies” section of their summaries.

A Fund will not change its Name Policy without providing its shareholders at least 60 days’ prior written notice. When used in connection with a Fund’s Name Policy, “assets” include the Fund’s net assets plus any borrowings made for investment purposes. In addition, a Name Policy calling for a Fund to invest in a particular country or geographic region requires that the Fund’s investments be “tied economically” (or “related” in the case of Emerging Domestic Opportunities Fund) to that country or region. For purposes of this Prospectus, an investment is “tied economically” (or “related”) to a particular country or region if, at the time of purchase, it is (i) in an issuer that is organized under the laws of that country or of a country within that region or in an issuer that maintains its principal place of business in that country or region; (ii) traded principally in that country or region; or (iii) in an issuer that derived at least 50% of its revenues or profits from goods produced or sold, investments made, or services performed in that country or region, or has at least 50% of its assets in that country or region. A Fund may invest directly in securities of companies in a particular industry, country, or geographic region or indirectly, for example, by purchasing securities of another Fund or investing in derivatives or synthetic instruments with underlying assets that have economic characteristics similar to investments tied economically (or related) to a particular industry, country, or geographic region. Funds with the term “international,” “global,” or “world” included in their names have not adopted formal Name Policies with respect to those terms but typically invest in investments that are tied economically to, or seek exposure to, a number of countries throughout the world.

DISCLOSURE OF PORTFOLIO HOLDINGS

The Funds have established a policy with respect to disclosure of their portfolio holdings. That policy is described in the SAI. The Funds’ portfolio holdings are available quarterly on the SEC’s website when the Funds file a Form N-CSR (annual/semiannual report) or Form N-Q (quarterly schedule of portfolio holdings).

Up to the largest fifteen portfolio holdings of some Funds (on a look through basis in the case of the Asset Allocation Funds) and all of the direct holdings of the Asset Allocation Funds (which includes GMO Funds in which the Fund invests) may be posted monthly on GMO's website (www.gmo.com). In addition, attribution information regarding the positions of some Funds may be posted monthly on GMO's website (e.g., best/worst performing positions in the Fund over a specified time period). Such information is available without a confidentiality agreement to registered users on GMO's website.

Additional information regarding the portfolio holdings of some Funds as of each month's end is made available to shareholders of the Trust (including shareholders of record who have indirect investments in a Fund through another GMO Fund) ("permitted shareholders"), qualified potential shareholders as determined by GMO (including qualified potential shareholders of record who are considering an indirect investment in a Fund through another fund managed by GMO) ("potential shareholders"), and their consultants and agents, as set forth below:

Funds	Approximate date of release of holdings information
All Funds except Asset Allocation Funds	5 days after month end (final)
Asset Allocation Funds	2 days after month end (preliminary) 5 days after month end (final)

Permitted shareholders and potential shareholders of Funds that invest in other GMO Funds, as well as their consultants and agents, are able to access the portfolio holdings of the GMO Funds in which those Funds invest when that information is posted each month on GMO's website. Periodically, in response to heightened market interest in specific issuers, a Fund's holdings in one or more issuers may be made available on a more frequent basis to permitted shareholders, potential shareholders, and their consultants and agents (collectively, "permitted recipients") through a secured link on GMO's website. This information may be posted as soon as the business day following the date to which the information relates.

To access this information on GMO's website (www.gmo.com/america/strategies), permitted recipients must contact GMO to obtain a user name and password (to the extent they do not already have them) and generally must enter into a confidentiality and non-use agreement with GMO. Any exception must be approved in advance as described in the SAI. GMO also may make portfolio holdings information (including information regarding underlying GMO Fund holdings) available in alternate formats and under additional circumstances under the conditions described in the SAI. Beneficial owners of shares of a Fund who have invested in the Fund through a broker or agent should contact that broker or agent for information on how to obtain access to information on the website regarding the Fund's portfolio holdings.

The Funds or GMO may suspend the posting of portfolio holdings of one or more Funds, and the Funds may modify the disclosure policy, without notice to shareholders. Once posted, a Fund's portfolio holdings typically will remain available on the website at least until the Fund files a Form N-CSR (annual/semiannual report) or Form N-Q (quarterly schedule of portfolio holdings) for the period that includes the date of those holdings.

HOW TO PURCHASE SHARES

Under ordinary circumstances, you may purchase a Fund's shares directly from the Trust on days when the NYSE is open for business (and, in the case of a Bond Fund and Special Opportunities Fund, on days when the U.S. bond markets also are open for business, and, in the case of Taiwan Fund, on days when the TSE also is open for business). In addition, certain brokers and agents are authorized to accept purchase and redemption orders on the Funds' behalf. These brokers and agents may charge transaction fees and impose restrictions on purchases of Fund shares through them. For instructions on purchasing shares, call the Trust at 1-617-346-7646, send an e-mail to SHS@GMO.com, or contact your broker or agent. The Trust will not accept a purchase order until it has received a GMO Trust Application deemed to be in good order by the Trust or its agent. In addition, the Trust may not accept a purchase order unless an Internal Revenue Service ("IRS") Form W-9 (for U.S. shareholders) or the appropriate IRS Form W-8 (for non-U.S. shareholders) with a correct taxpayer identification number (if required) is on file with, and that W-9 or W-8 is deemed to be in good order by, the Trust's withholding agent, State Street Bank and Trust Company. The Trust, its agent or a financial intermediary may require additional tax-related certifications, information or other documentation from you in order to comply with applicable U.S. federal reporting and withholding tax provisions, including the Foreign Account Tax Compliance Act. If you do not provide such IRS forms and other certifications, information or documentation, you may be subject to withholding taxes on distributions or proceeds received upon the sale, exchange or redemption of your Fund shares. For more information on these rules, see "Taxes" in the SAI. Please consult your tax adviser to ensure all tax forms provided to the Trust or its agent are completed properly and maintained, as required, in good order. GMO and/or its agents have the right to decide when a completed form is in good order.

Purchase Policies. You must submit a purchase order in good order to avoid its being rejected. In general, a purchase order is in "good order" if it includes:

- The name of the Fund being purchased;

- The U.S. dollar amount of the shares to be purchased;
- The date on which the purchase is to be made (subject to receipt prior to the close of regular trading on the NYSE (generally 4:00 p.m. Eastern time) (the “Cut-off Time”) on that date);
- The name and/or the account number (if any) set forth with sufficient clarity to avoid ambiguity; and
- The signature of an authorized signatory as identified in the GMO Trust Application or subsequent authorized signers list.

For retirement accounts, additional information regarding contributions typically is required.

If payment in full (in U.S. funds paid by check or wire or, when approved, by securities) is not received prior to the Cut-off Time on the intended purchase date, the order may be rejected or deferred until payment in full is received unless prior arrangements for later payment have been approved by GMO.

If a purchase order is received in good order by the Trust or its agent, together with payment in full, prior to the Cut-off Time, the purchase price for the Fund shares to be purchased is the net asset value per share of the class of Fund shares being purchased determined on that day (plus any applicable purchase premium). If that order is received after the Cut-off Time, the purchase price for the Fund shares to be purchased is the net asset value per share of the class of Fund shares to be purchased determined on the next business day that the NYSE is open (plus any applicable purchase premium). In the case of a Bond Fund and Special Opportunities Fund, purchase orders that are received on days when either the NYSE or the U.S. bond markets are closed will not be accepted until the next day on which both the NYSE and the U.S. bond markets are open, and the purchase price will be the net asset value per share of the class of Fund shares to be purchased determined on that day (plus any applicable purchase premium). In the case of Taiwan Fund, purchase orders that are received on days when either the NYSE or the TSE is closed will not be accepted until the next day on which both the NYSE and the TSE are open, and the purchase price will be the net asset value per share determined that day (plus any applicable purchase premium). See “Purchase Premiums and Redemption Fees” on page 174 of this Prospectus for a discussion of purchase premiums charged by some Funds, including circumstances under which all or a portion of the purchase premiums may be waived. Purchase premiums are not charged on reinvestments of dividends or other distributions.

To help the U.S. government fight the funding of terrorism and money laundering activities, federal law requires the Trust to verify identifying information provided by each investor in its GMO Trust Application, and the Trust may require further identifying documentation. If the Trust is unable to verify the information shortly after your account is opened, the account may be closed and your shares redeemed at their net asset value at the time of the redemption.

The Trust and/or its agents reserve the right to reject any purchase order. In addition, without notice, a Fund in its sole discretion may temporarily or permanently suspend sales of its shares to new investors and/or existing shareholders.

Minimum initial investment amounts (by class, if applicable) are set forth in the tables on page 175 of this Prospectus. No minimum initial investment is required to purchase Class MF shares of Benchmark-Free Allocation Fund. The Trust may increase minimum initial investment amounts at any time and may waive initial minimums for some investors.

Funds advised or sub-advised by GMO (“Top Funds”) may purchase shares of other GMO Funds after the Cut-off Time and receive the current day’s price if the following conditions are met: (i) the Top Fund received a purchase order in good order prior to the Cut-off Time on that day; and (ii) the purchase(s) by the Top Fund of shares of the other GMO Funds are executed pursuant to an allocation predetermined by GMO prior to that day’s Cut-off Time.

Submitting Your Purchase Order Form. Completed purchase order forms can be submitted by **mail, facsimile, or e-mail** (provided that a PDF copy of the completed purchase order form is attached to the e-mail) or other form of communication pre-approved by Shareholder Services to the Trust at:

GMO Trust
c/o Grantham, Mayo, Van Otterloo & Co. LLC
40 Rowes Wharf
Boston, Massachusetts 02110
Facsimile: 1-617-439-4192
Attention: Shareholder Services
E-mail: clientorder@gmo.com

Call the Trust at 1-617-346-7646 or send an e-mail to SHS@GMO.com to **confirm that GMO received, made a good order determination regarding, and accepted** your purchase order form. Do not send cash, checks, or securities directly to the Trust. A purchase order submitted by mail, facsimile or e-mail is “received” by the Trust when it is actually received by the Trust or its agent. The Trust is not responsible for purchase orders submitted but not actually received by the Trust or its agent for any reason, including purchase orders not received on account of a computer virus or other third-party interference.

Funding Your Investment. You may purchase shares:

- with cash (by means of wire transfer or check or other form of payment preapproved by GMO Shareholder Services)

- ▶ **By wire.** Instruct your bank to wire your investment to:

State Street Bank and Trust Company, Boston, Massachusetts

ABA#: 011000028

Attn: Transfer Agent

Credit: GMO Trust Deposit Account 00330902

Further credit: GMO Fund/Account name and number

- ▶ **By check.** All checks must be made payable to the appropriate Fund or to GMO Trust. The Trust will not accept checks payable to a third party that have been endorsed by the payee to the Trust. Mail checks to:

By U.S. Postal Service:

State Street Bank and Trust Company

Attn: GMO Transfer Agent

Box 5493

Mail Code CPH0255

Boston, Massachusetts 02206

By Overnight Courier:

State Street Bank and Trust Company

Attn: GMO Transfer Agent

100 Huntington Avenue

Mail Code CPH0255

Copley Place Tower 2, Floor 3

Boston, Massachusetts 02116

- in exchange for securities acceptable to GMO
 - ▶ securities must be approved by GMO prior to transfer to the Fund
 - ▶ securities will be valued as set forth under “Determination of Net Asset Value”
 - ▶ you may bear any stamp or other transaction-based taxes or certain other costs arising in connection with the transfer of securities to the Fund.
- by a combination of cash and securities

The Trust is not responsible for cash (including wire transfers and checks) or securities delivered in connection with a purchase of Fund shares until they are actually received by the Fund. A purchaser will not earn interest on any funds prior to their investment in a Fund. In the case of Developed World Stock Fund, Global Focused Equity Fund, Tax-Managed International Equities Fund, International Equity Fund, International Large/Mid Cap Equity Fund, International Small Companies Fund, and Resources Fund, a purchase may be made in U.S. dollars or, in GMO’s sole discretion, in another currency deemed acceptable by GMO. Non-U.S. dollar currencies used to purchase Fund shares will be valued in accordance with the Trust’s valuation procedures.

Frequent Trading Activity. As a matter of policy, the Trust will not honor requests for purchases or exchanges by shareholders identified as engaging in frequent trading strategies, including market timing, that GMO determines could be harmful to a Fund and its shareholders. Frequent trading strategies generally are strategies that involve repeated exchanges or purchases and redemptions (or redemptions and purchases) within a short period of time. Frequent trading strategies can be disruptive to the efficient management of a Fund, materially increase portfolio transaction costs and taxes, dilute the value of shares held by long-term investors, or otherwise be harmful to a Fund and its shareholders.

The Trustees have adopted procedures designed to detect and prevent frequent trading activity that could be harmful to a Fund and its shareholders (the “Procedures”). The Procedures include the fair valuation of non-U.S. securities, periodic surveillance of trading in shareholder accounts and inquiry as to the nature of trading activity. If GMO determines that an account is engaging in frequent trading that has the potential to be harmful to a Fund or its shareholders, the Procedures permit GMO to adopt various preventative measures, including suspension of the account’s exchange and purchase privileges. There is no assurance that the Procedures will be effective in all instances. The Funds reserve the right to reject any order or terminate the sale of Fund shares at any time.

Each of the Procedures does not apply to all Funds or all Fund trading activity. Application of the Procedures is dependent upon: (1) whether a Fund imposes purchase premiums or redemption fees or both, (2) the nature of a Fund’s investment program, including its typical cash positions and whether it invests in non-U.S. securities, and (3) whether GMO has investment discretion over the purchase, exchange, or redemption activity. The Asset Allocation Funds and other funds and accounts over which GMO has investment discretion invest in other GMO Funds and are not subject to restrictions on how often they may purchase those Funds’ shares. Although GMO may not take affirmative steps to detect frequent trading for certain Funds, GMO will not honor requests for purchases or exchanges by shareholders identified as engaging in frequent trading strategies that GMO determines could be harmful to the Funds involved and their shareholders.

Shares of some Funds are distributed through financial intermediaries that submit aggregate or net purchase and redemption orders through omnibus accounts. These omnibus accounts often by nature engage in frequent transactions due to the daily trading activity of their investors. Because transactions by omnibus accounts often take place on a net basis, GMO’s ability to detect and prevent the

implementation of frequent trading strategies within those accounts is limited. GMO ordinarily seeks the agreement of a financial intermediary to monitor and restrict frequent trading in accordance with the Procedures. In addition, the Funds may rely on a financial intermediary to monitor and restrict frequent trading in accordance with the intermediary's policies and procedures in lieu of the Procedures if GMO believes that the financial intermediary's policies and procedures are reasonably designed to detect and prevent frequent trading activity that could be harmful to a Fund and its shareholders. Shareholders who own Fund shares through an intermediary should consult with that intermediary regarding its frequent trading policies.

HOW TO REDEEM SHARES

Under ordinary circumstances, you may redeem a Fund's shares on days when the NYSE is open for business (and, in the case of a Bond Fund and Special Opportunities Fund, on days when the U.S. bond markets also are open for business, and, in the case of Taiwan Fund, on days when the TSE also is open for business). Redemption orders should be submitted directly to the Trust unless the Fund shares to be redeemed were purchased through a broker or agent, in which case the redemption order should be submitted to that broker or agent. The broker or agent may charge transaction fees and impose restrictions on redemptions of Fund shares through it. For instructions on redeeming shares directly, call the Trust at 1-617-346-7646 or send an e-mail to SHS@GMO.com. A Fund may remit the redemption proceeds for redemption orders received on the same day at different times for different shareholders and may take up to seven days to remit proceeds.

Redemption Policies. You must submit a redemption order in good order to avoid having it rejected by the Trust or its agent. In general, a redemption order is in "good order" if it includes:

- The name of the Fund being redeemed;
- The number of shares or the dollar amount of the shares to be redeemed or, in the case of a Fund with a redemption fee, the dollar amount that the investor wants to receive;
- The date on which the redemption is to be made (subject to receipt prior to the Cut-off Time on that date);
- The name or the account number set forth with sufficient clarity to avoid ambiguity;
- The signature of an authorized signatory as identified in the GMO Trust Application or subsequent authorized signers list; and
- Wire instructions or registration address that match the wire instructions or registration address (as applicable) on file at GMO or confirmation from an authorized signatory that the wire instructions are valid.

For retirement accounts, additional information regarding distributions typically is required.

If a redemption order is received in good order by the Trust or its agent prior to the Cut-off Time, the redemption price for the Fund shares being redeemed is the net asset value per share of the class of Fund shares being redeemed determined on that day (less any applicable redemption fee). In the case of a Bond Fund and Special Opportunities Fund, redemption orders in good order that are received on days when either the NYSE or the U.S. bond markets are closed will not be accepted until the next day on which both the NYSE and the U.S. bond markets are open, and the redemption price will be the net asset value per share of the class of Fund shares being redeemed determined that day (less any applicable redemption fee). In the case of Taiwan Fund, redemption orders in good order that are received on days when either the NYSE or the TSE is closed will not be accepted until the next day on which both the NYSE and the TSE are open, and the redemption price will be the net asset value per share determined that day (less any applicable redemption fee). If a redemption order is received after the Cut-off Time, the redemption price for the Fund shares to be redeemed will be the net asset value per share determined on the next business day that the NYSE is open (less any applicable redemption fee), and, in the case of the Bond Funds and Special Opportunities Fund, the next business day that the U.S. bond markets also are open (less any applicable redemption fee), and, in the case of Taiwan Fund, the next business day that the TSE also is open (less any applicable redemption fee), unless you or another authorized person on your account has instructed GMO Shareholder Services in writing to defer the redemption to another day. You or another authorized person on your account may revoke your redemption order in writing at any time prior to the Cut-off Time on the redemption date. Redemption fees, if any, apply to all shares of a Fund regardless of how the shares were acquired (e.g., by direct purchase or by reinvestment of dividends or other distributions). See "Purchase Premiums and Redemption Fees" on page 174 for a discussion of redemption fees charged by some Funds, including circumstances under which all or a portion of the fees may be waived. In the event of a disaster affecting Boston, Massachusetts, you should contact GMO to confirm that your redemption order was received and is in good order.

Failure to provide the Trust or its agent with a properly authorized redemption order or otherwise satisfy the Trust as to the validity of any change to the wire instructions or registration address may result in a delay in processing a redemption order, delay in remittance of redemption proceeds, or a rejection of the redemption order.

In GMO's sole discretion, a Fund may pay redemption proceeds wholly or partly in securities (selected by GMO) instead of cash. In particular, if market conditions deteriorate and GMO believes a Fund's redemption fee (if any) will not fairly compensate a Fund for transaction costs, the Fund may limit cash redemptions and use portfolio securities to pay the redemption price to protect the interests of all Fund shareholders. Redemptions paid with portfolio securities may require shareholders to enter into new custodial arrangements if they do not have accounts available for holding securities directly.

If a redemption is paid in cash:

- payment will generally be made by means of a federal funds transfer to the bank account designated in the relevant GMO Trust Application
 - ▶ designation of one or more additional bank accounts or any change in the bank accounts originally designated in the GMO Trust Application must be made in a recordable format by an authorized signatory according to the procedures in the GMO Trust Redemption Order Form
 - ▶ if an ambiguity in wire instructions cannot be resolved in a timely manner, GMO may elect to remit redemption proceeds by check
- upon request, payment will be made by check mailed to the registered address (unless another address is specified according to the procedures in the GMO Trust Redemption Order Form)
- In the case of Developed World Stock Fund, Global Focused Equity Fund, Tax-Managed International Equities Fund, International Equity Fund, International Large/Mid Cap Equity Fund, International Small Companies Fund, and Resources Fund, a redemption may, in GMO's sole discretion, be paid in whole or in part in a currency other than U.S. dollars when the redeeming shareholder has indicated a willingness to receive the redemption proceeds in that currency. Non-U.S. dollar currencies used to pay redemption proceeds will be valued in accordance with the Trust's valuation procedures.

The Trust will not process what it reasonably believes are duplicate redemption requests.

The Trust will not pay redemption proceeds to third-parties and does not offer check-writing privileges.

The Trust typically will not pay redemption proceeds to multiple bank accounts.

Redemption requests may be revoked prior to the Cut-off Time on the redemption date.

If a redemption is paid with securities, you should note that:

- the securities will be valued as set forth under "Determination of Net Asset Value";
- the securities will be selected by GMO in light of the Fund's objective and other practical considerations and may not represent a pro rata distribution of each security held in the Fund's portfolio;
- you will likely incur brokerage charges on the sale of the securities;
- redemptions paid in securities generally are treated by shareholders for tax purposes the same as redemptions paid in cash;
- you may bear any stamp or other transaction-based taxes or certain other costs arising in connection with the Fund's transfer of securities to you; and
- the securities will be transferred and delivered by the Trust as directed in writing by an authorized person on your account.

Each Fund may suspend the right of redemption and may postpone payment for more than seven days:

- during periods when the NYSE is closed other than customary weekend or holiday closings;
- during periods when trading on the NYSE is restricted;
- during an emergency that makes it impracticable for a Fund to dispose of its securities or to fairly determine its net asset value; or
- during any other period permitted by the SEC.

Pursuant to the Trust's Amended and Restated Agreement and Declaration of Trust, the Trust has the unilateral right to redeem Fund shares held by a shareholder at any time (i) if at that time the shareholder owns shares of a Fund or a class of shares of a Fund having an aggregate net asset value of less than an amount determined from time to time by the Trustees; (ii) to the extent the shareholder owns shares of a Fund or a class of shares of a Fund equal to or in excess of a percentage of the outstanding shares of the Fund or the class of shares of the Fund determined from time to time by the Trustees; or (iii) as a means of satisfying legal obligations of the Trust in respect of a withholding tax and related interest, penalty and similar charges, including but not limited to obligations occasioned by the failure of a shareholder to provide any documentation requested by the Trust or its agent. The Trustees have authorized GMO in its sole discretion to redeem shares to prevent a shareholder from becoming an affiliated person of a Fund.

Top Funds may redeem shares of other GMO Funds after the Cut-off Time and receive the current day's price if the following conditions are met: (i) the Top Fund received a redemption order prior to the Cut-off Time on that day; and (ii) the redemption of the shares of the other GMO Funds is executed pursuant to an allocation predetermined by GMO prior to that day's Cut-off Time.

Cost Basis Reporting. If your account is subject to U.S. federal tax reporting or you otherwise have informed a Fund that you would like to receive "informational only" U.S. federal tax reporting, upon your redemption or exchange of Fund shares that you hold in that account, the Fund will provide you with cost basis and certain other related tax information about those shares. This cost basis reporting requirement is effective for shares purchased, including through dividend reinvestment, on or after January 1, 2012. Shares of a Fund acquired prior to January 1, 2012 generally are not subject to these rules, and shareholders are responsible for keeping their own records

for determining their tax basis in these shares. Please consult the Trust for more information regarding available methods for cost basis reporting, including the Fund's default method, and how to select or change a particular method. You should consult your tax adviser to determine which available cost basis method is most appropriate for you.

If you purchased shares of a Fund through an intermediary, in general, the intermediary and not the Fund will be responsible for providing the cost basis and related reporting described above, including pursuant to the intermediary's available cost basis accounting methods. Thus, shareholders purchasing shares through an intermediary should contact the intermediary for more information about how to select a particular cost basis accounting method in respect of Fund shares, as well as for information about the intermediary's particular default method.

Submitting Your Redemption Order. Redemption orders can be submitted by **mail, facsimile, or e-mail** or other form of communication pre-approved by Shareholder Services to the Trust at the address/facsimile number/e-mail address set forth under "How to Purchase Shares — Submitting Your Purchase Order Form." Redemption orders are "received" by the Trust when they are actually received by the Trust or its agent. Call the Trust at 1-617-346-7646 or send an e-mail to SHS@GMO.com to **confirm that GMO received, made a good order determination regarding, and accepted** your redemption order.

PURCHASE PREMIUMS AND REDEMPTION FEES

Purchase premiums and redemption fees are paid to and retained by a Fund to help offset estimated portfolio transaction costs and other related costs (e.g., bid to ask spreads, stamp duties, and transfer fees) incurred by the Fund (directly or indirectly through investments in Underlying Funds or a wholly-owned subsidiary) as a result of the purchase or redemption by allocating estimated transaction costs to the purchasing or redeeming shareholder.

Each of the Asset Allocation Funds may charge purchase premiums and redemption fees. Purchase premiums and redemption fees for the Asset Allocation Funds are typically reassessed annually by GMO based on the weighted average of (i) the estimated transaction costs for directly held assets (including assets held by a wholly-owned subsidiary) and (ii) the purchase premiums and redemption fees, if any, imposed by the GMO Funds in which the Asset Allocation Funds invest. If that weighted average is less than 0.05%, the Asset Allocation Funds usually will not charge a purchase premium or redemption fee.

A Fund may impose a new purchase premium and redemption fee or modify an existing fee at any time. Please refer to the "Shareholder fees" table under the caption "Fees and expenses" in each Fund's summary for details regarding the purchase premium and redemption fee, if any, charged by a Fund.

Purchase premiums are not charged on reinvestments of dividends or other distributions. Redemption fees apply to all shares of a Fund regardless of how the shares were acquired (e.g., by direct purchase or by reinvestment of dividends or other distributions).

Waiver of Purchase Premiums/Redemption Fees

If GMO determines that any portion of a cash purchase or redemption, as applicable, is offset by a corresponding cash redemption or purchase occurring on the same day, it ordinarily will waive or reduce the purchase premium or redemption fee with respect to that portion.

GMO also may waive or reduce the purchase premium or redemption fee for a cash purchase or redemption of a Fund's shares if the Fund will not incur transaction costs or will incur reduced transaction costs. For example, GMO may waive all or a portion of the purchase premiums and redemption fees for the Asset Allocation Funds when they are de minimis or GMO deems it equitable to do so, including without limitation when the weighted average of (i) the estimated transaction costs for directly held assets and (ii) the purchase premiums and redemption fees, if any, imposed by the GMO Funds in which an Asset Allocation Fund invests are less than the purchase premium and redemption fee imposed by the Asset Allocation Fund.

GMO will waive or reduce the purchase premium when securities are used to purchase a Fund's shares except to the extent that the Fund incurs transaction costs (e.g., stamp duties or transfer fees) in connection with its acquisition of those securities. GMO may waive or reduce redemption fees when a Fund uses portfolio securities to redeem its shares. However, when a substantial portion of a Fund is being redeemed in-kind, the Fund may nonetheless charge a redemption fee equal to known or estimated costs.

Purchase premiums or redemption fees generally will not be waived for purchases and redemptions of Fund shares executed through brokers or agents, including, without limitation, intermediary platforms that are allowed pursuant to agreements with the Trust to transmit orders for purchases and redemptions the day after those orders are received.

GMO may consider known cash flows out of or into Funds when placing orders for the cash purchase or redemption of Fund shares by accounts over which it has investment discretion, including the Asset Allocation Funds and other pooled investment vehicles. Consequently, participants in those accounts will tend to benefit more from waivers of the Funds' purchase premiums and redemption fees than other Fund shareholders.

MULTIPLE CLASSES AND ELIGIBILITY

Most Funds offer multiple classes of shares. The sole economic difference among the various classes of shares is in their shareholder service fee (and supplemental support fee in the case of Benchmark-Free Allocation Fund). Differences in the shareholder service fee reflect the fact that, as the size of an investor relationship increases, the cost to service that investor decreases as a percentage of the investor's assets managed by GMO and its affiliates. Thus, the shareholder service fee generally is lower for classes requiring greater minimum investments.

Except for Class MF shares of Benchmark-Free Allocation Fund, an investor's eligibility to purchase Fund shares or different classes of Fund shares depends on the investor's meeting either (i) the "Minimum Total Fund Investment," which involves only an investor's total investment in a particular Fund, or (ii) the "Minimum Total GMO Investment," both of which are set forth in the table below. Mutual funds that wish to invest in shares of Benchmark-Free Allocation Fund and to receive supplemental support services are eligible to purchase its Class MF shares. No minimum initial investment is required to purchase Class MF shares. For investors owning shares of a Fund, no minimum additional investment is required to purchase additional shares of that Fund.

Minimum Investment Criteria for Class Eligibility

		Minimum Total Fund Investment	Minimum Total GMO Investment ¹	Shareholder Service Fee (as a % of average daily net assets)
Class II Shares	All Funds Offering Class II Shares	N/A	\$10 million	0.22%
Class III Shares	Global Asset Allocation Fund Global Equity Allocation Fund Global Developed Equity Allocation Fund International Equity Allocation Fund International Developed Equity Allocation Fund Benchmark-Free Fund Strategic Opportunities Allocation Fund	N/A	\$10 million	0.00% ²
	Tax-Managed International Equities Fund	N/A	\$10 million (or \$5 million in tax-managed GMO products)	0.15%
	International Equity Fund Foreign Fund	N/A	\$35 million	0.15%
	Emerging Markets Fund Emerging Domestic Opportunities Fund	\$50 million	N/A	0.15%
	All Other Funds Offering Class III Shares	N/A	\$10 million	0.15%
Class IV Shares	Benchmark-Free Allocation Fund Developed World Stock Fund Global Focused Equity Fund Foreign Small Companies Fund U.S. Equity Allocation Fund Resources Fund Benchmark-Free Bond Fund Core Plus Bond Fund Emerging Country Debt Fund Alpha Only Fund Risk Premium Fund Special Opportunities Fund	\$125 million	\$250 million	0.10%
	International Equity Fund International Large/Mid Cap Equity Fund Foreign Fund	\$125 million	\$250 million	0.09%
	Emerging Markets Fund Emerging Domestic Opportunities Fund Quality Fund	\$125 million	\$250 million	0.105%
Class V Shares	All Funds Offering Class V Shares	\$250 million	\$500 million	0.085%
Class VI Shares	All Funds Offering Class VI Shares	\$300 million	\$750 million	0.055%

Minimum Investment Criteria and Eligibility for Implementation Fund and U.S. Treasury Fund

		Minimum Total Fund Investment	Minimum Total GMO Investment ¹	Shareholder Service Fee (as a % of average daily net assets)
	Implementation Fund U.S. Treasury Fund	N/A	\$10 million	N/A

¹ The eligibility requirements in the table above are subject to exceptions and special rules for plan investors investing through financial intermediaries and for investors with continuous investments in Foreign Fund or International Equity Fund since May 31, 1996. See discussion immediately following these tables for more information about these exceptions and special rules.

² These Funds indirectly bear shareholder service fees by virtue of their investments in other GMO Funds.

An investor's Minimum Total GMO Investment equals GMO's estimate of the market value of all the investor's assets managed by GMO and its affiliates (i) at the time of the investor's initial investment, (ii) at the close of business on the last business day of each calendar quarter, or (iii) at other times as determined by GMO (including those described below under "Conversions between Classes") (each, a "Determination Date"). However, an investor's Minimum Total GMO Investment required to purchase Class III shares of Tax-Managed International Equities Fund also may equal the market value of all of the investor's assets invested in tax-managed GMO products in the aggregate on a Determination Date. When purchasing shares of a Fund, investors should consult with GMO to determine the applicable Determination Date and the share class for which they are eligible.

For shareholders of Foreign Fund or International Equity Fund since May 31, 1996: Any investor that has been a continuous shareholder of Foreign Fund or International Equity Fund since May 31, 1996 is eligible indefinitely to remain invested in Class III shares of that Fund.

Upon request GMO may permit an investor to undertake in writing to meet the applicable Minimum Total Fund Investment or Minimum Total GMO Investment over a specified period (a "Commitment Letter").

You should note:

- No minimum additional investment is required to purchase additional shares of a Fund or any class of shares of a Fund that you currently hold.
- GMO makes all determinations as to which investor accounts should be aggregated for purposes of determining eligibility for a Fund or the various classes of shares offered by a Fund, as the case may be. When making decisions regarding whether accounts should be aggregated because they are part of a larger client relationship, GMO considers several factors including, but not limited to, whether: the multiple accounts are for one or more subsidiaries of the same parent company; the multiple accounts have the same beneficial owner regardless of the legal form of ownership; the registered owner has full discretion over all underlying assets; the investment mandate is the same or substantially similar across the relationship; the asset allocation strategies are substantially similar across the relationship; GMO reports to the same investment board; the multiple accounts share the same consultant; GMO services the relationship through a single GMO relationship manager; the relationships have substantially similar reporting requirements; and the relationship can be serviced from a single geographic location.
- Eligibility requirements for a Fund or each class of shares of a Fund, as the case may be, are subject to change.
- GMO may waive eligibility requirements for some persons, accounts, or special situations. These waivers include the waiver of eligibility requirements for (i) GMO Funds and other accounts over which GMO has investment discretion that invest in other GMO Funds, (ii) GMO directors, partners, employees, agents, and their family members, (iii) the Trustees of the Trust, (iv) Trustees of other mutual funds sponsored by GMO, and (v) clients of an investment consultant or similar investment professional with a substantial ongoing business relationship with GMO. GMO may discontinue such waivers at any time without notice.
- Investors investing through a financial intermediary may be permitted to invest in Class III Shares and investments through a financial intermediary may not be subject to conversions between classes.

Conversions between Classes

As described in "Additional Summary Information About the Funds," in determining whether an investor is eligible to purchase Fund shares, GMO considers each investor's Minimum Total Fund Investment and Minimum Total GMO Investment on each Determination Date. Based on this determination, and subject to the following, each investor's shares of a Fund eligible for conversion will be converted to the class of shares of that Fund with the lowest shareholder service fee for which the investor satisfies all minimum investment requirements (or, to the extent the investor already holds shares of that class, the investor will remain in that class). Class MF shareholders are not currently eligible to convert their Class MF shares into, or exchange Class MF shares for, other classes of shares. Except as noted below, with respect to any Fund:

- If an investor satisfies all minimum investment requirements for a class of shares then being offered that bears a lower shareholder service fee than the class held by the investor on the Determination Date (generally at the close of business on the last business day of each calendar quarter), the investor's shares eligible for conversion generally will be automatically converted to that class within 45 calendar days following the Determination Date on a date selected by GMO.
- If an investor no longer satisfies all minimum investment requirements for the class of shares of a Fund held by the investor on the last Determination Date of a calendar year (generally at the close of business on the last business day of the calendar year), the Fund generally will convert the investor's shares to the class it is then offering bearing the lowest shareholder service fee for which the investor satisfies all minimum investment requirements (which class typically will bear a higher shareholder service fee than the class then held by the investor). If an investor no longer satisfies all minimum investment requirements for any class of a Fund as of the last Determination Date of a calendar year, the Fund will convert the investor's shares to the class of that Fund then being offered bearing the highest shareholder service fee. Notwithstanding the foregoing, an investor's shares will not be converted to a class of shares bearing a higher shareholder service fee without at least 15 calendar days' prior notice, and if the investor makes an additional investment or the value of the investor's shares otherwise increases prior to the end of the notice period so as to satisfy all minimum investment requirements for the investor's current class of shares, the investor will remain in the class of shares then held

by the investor. Solely for the purpose of determining whether an investor has satisfied the minimum investment requirements for an investor's current class of shares, the value of the investor's shares is considered to be the greater of (i) the value of the investor's shares on the relevant Determination Date, (ii) the value of the investor's shares on the date that GMO reassesses the value of the investor's account for the purpose of sending notice of a proposed conversion, or (iii) the value of the investor's shares immediately prior to the date when the conversion would take place. If the investor is not able to make an additional investment in a Fund solely because the Fund is closed to new investment or is capacity constrained, the class of shares then held by the investor will not be converted unless GMO approves reopening the Fund to permit the investor to make an additional investment. The conversion of an investor's shares to a class of shares bearing a higher shareholder service fee generally will occur within 60 calendar days following the last Determination Date of a calendar year or, in the case of conversion due to an abusive pattern of investments or redemptions (see next paragraph), on any other date GMO determines.

A Fund may at any time without notice convert an investor's shares to the class it is then offering bearing the lowest shareholder service fee for which the investor satisfied all minimum investment requirements (or, if the Fund has no such class, the class of that Fund bearing the highest shareholder service fee) if the investor no longer satisfies all minimum investment requirements for the class of shares held by the investor and: (i) GMO believes the investor has engaged in an abusive pattern of investments or redemptions (e.g., a large investment just before a Determination Date and a redemption immediately after the Determination Date), (ii) the investor fails to meet the applicable Minimum Total Fund Investment or Minimum Total GMO Investment by the time specified in the investor's Commitment Letter, or (iii) the total expense ratio borne by the investor immediately following the conversion is equal to or less than the total expense ratio borne by the investor immediately before the conversion (after giving effect to any applicable fee and expense waivers or reimbursements).

For U.S. federal income tax purposes, the conversion of an investor's investment from one class of shares of a Fund to another class of shares of the same Fund generally should not result in the recognition of gain or loss in the shares that are converted. Thus, in general, the investor's tax basis in the new class of shares immediately after the conversion should equal the investor's basis in the converted shares immediately before the conversion, and the holding period of the new class of shares should include the holding period of the converted shares.

DISTRIBUTIONS AND TAXES

Except as specifically noted below, this section provides a general summary of the principal U.S. federal income tax consequences of investing in a Fund for shareholders who are U.S. citizens, residents, or corporations. You should consult your own tax advisers about the precise tax consequences of an investment in a Fund in light of your particular tax situation, including possible non-U.S., state, local, or other applicable taxes (including the federal alternative minimum tax). A Fund's shareholders may include certain GMO Funds, including GMO Funds not offered in this Prospectus, some of which are RICs as defined by Subchapter M of the Code. The summary below does not address tax consequences to shareholders of those other GMO Funds. Shareholders of those other GMO Funds should refer to the prospectuses or private placement memoranda, as applicable, and statements of additional information for those GMO Funds for a summary of the tax consequences applicable to them.

Except for U.S. Treasury Fund, the policy of each Fund is to declare and pay dividends of its net investment income, if any, at least annually, although the Funds are permitted to, and will from time to time, declare and pay dividends of net investment income, if any, more frequently. Each Fund also intends to distribute net realized capital gains, whether from the sale of investments held by the Fund for not more than one year (net short-term capital gains) or from the sale of investments held by the Fund for more than one year (net long-term capital gains), if any, at least annually. In addition, the Funds may, from time to time and at their discretion, make unscheduled distributions in advance of large redemptions by shareholders or as otherwise deemed appropriate by a Fund. Net investment income of a Fund includes (i) distributions received from an underlying fund taxed as a RIC attributable to the underlying fund's own net investment income and net short-term capital gains and (ii) the Fund's allocable share of net investment income of an underlying fund taxed as a partnership. Net realized capital gains includes (x) distributions received from an underlying fund taxed as a RIC attributable to the underlying fund's net long-term capital gains and (y) the Fund's allocable share of net short-term or net long-term capital gains of an underlying fund taxed as a partnership. From time to time, distributions by a Fund could constitute a return of capital to shareholders for U.S. federal income tax purposes. Shareholders should read the description below for information regarding the tax character of distributions from a Fund to shareholders.

Typically, all dividends or other distributions are reinvested in additional shares of the relevant Fund, at net asset value, unless GMO or its agents receive and process a shareholder election to receive cash. Shareholders may elect to receive cash by marking the appropriate boxes on the GMO Trust Application, by writing to the Trust, or by notifying their broker or agent. No purchase premium is charged on reinvested dividends or distributions.

The policy of U.S. Treasury Fund is to declare dividends daily, to the extent net investment income is available, and U.S. Treasury Fund generally will pay dividends on the first business day following the end of each month in which dividends were declared. Shareholders of U.S. Treasury Fund will generally begin earning dividends on their shares of the Fund on the business day following the

effective date of their purchase of those shares. U.S. Treasury Fund shareholders, however, can begin earning dividends on the same business day as the effective date of their purchase if each of the following criteria are met: (i) their order is received by the Fund prior to 11:00 a.m. Eastern time on the effective date, (ii) they have requested same-day settlement, (iii) the Fund receives the purchase proceeds on the effective date and (iv) the Fund is able to invest such purchase amounts in a timely manner. Shareholders of U.S. Treasury Fund will generally continue to earn dividends on the effective date of their redemption from the Fund unless they request receipt of their redemption proceeds on the effective date.

It is important for you to note:

- Each Fund is treated as a separate taxable entity for U.S. federal income tax purposes. Each of the Funds has elected to be treated or intends to elect to be treated, as applicable, and intends to qualify and be treated each year, as a RIC under Subchapter M of the Code. A RIC generally is not subject to tax at the fund level on income and gains from investments that are timely distributed to shareholders. However, a Fund's failure to qualify as a RIC would result in, among other things, Fund-level taxation, and consequently, a reduction in the value of the Fund. See "Taxes" in the SAI for more information about the tax consequences of not qualifying as a RIC.
- For U.S. federal income tax purposes, distributions of net investment income generally are taxable to shareholders as ordinary income.
- For U.S. federal income tax purposes, taxes on distributions of net realized capital gains generally are determined by how long a Fund owned the investments generating the gains, rather than by how long a shareholder has owned shares in the Fund. Distributions of net realized capital gains from the sale of investments that a Fund owned for more than one year and that are reported by a Fund as capital gain dividends generally are taxable to shareholders as long-term capital gains. Distributions of net realized capital gains from the sale of investments that a Fund owned for one year or less generally are taxable to shareholders as ordinary income. Tax rules can alter a Fund's holding period in investments and thereby affect the tax treatment of gain or loss on such investments.
- A Fund may make total distributions during a taxable year in an amount that exceeds the Fund's net investment income and net realized capital gains for that year, in which case the excess generally would be treated as a return of capital, which would reduce a shareholder's tax basis in its shares, with any amounts exceeding such basis treated as capital gain. A return of capital is not taxable to shareholders to the extent such amount does not exceed a shareholder's tax basis, but it reduces a shareholder's tax basis in its shares, thus reducing any loss or increasing any gain on a subsequent taxable disposition by the shareholder of its shares.
- A Fund will carry any net realized capital losses (i.e., realized capital losses in excess of realized capital gains) from any taxable year forward to one or more subsequent taxable years to offset capital gains, if any, realized during such subsequent years. If a Fund incurs or has incurred net capital losses in a taxable year beginning after December 22, 2010, those losses will be carried forward to one or more subsequent taxable years without expiration until such losses are fully utilized. If a Fund has incurred net capital losses in a taxable year beginning on or before December 22, 2010, the Fund is permitted to carry those losses forward for up to eight taxable years. Any losses remaining at the end of the eight-year period will expire unused. A Fund's available capital loss carryforwards, if any, will be set forth in its annual shareholder report for each fiscal year. A Fund's ability to utilize these and certain other losses to reduce distributable net realized capital gains in succeeding taxable years may be limited by reason of direct or indirect changes in the actual or constructive ownership of the Fund. See "Taxes" in the SAI for more information.
- Distributions of net investment income properly reported by a Fund as derived from "qualified dividend income" will be taxable to shareholders taxed as individuals at the rates applicable to net capital gain, provided holding period and other requirements are met at both the shareholder and Fund levels.
- Distributions of net investment income derived from dividends eligible for the "dividends-received deduction" may allow a corporate shareholder (other than an S corporation) to deduct a percentage of such distribution, as a dividends-received deduction, in computing its taxable income, provided holding period and other requirements are met at both the shareholder and Fund levels.
- The Code generally imposes a 3.8% Medicare contribution tax on the net investment income of individuals and of certain trusts and estates to the extent their income exceeds certain threshold amounts. Net investment income generally includes for this purpose dividends, including any capital gain dividends, paid by a Fund, and net gains recognized on the sale, redemption or exchange of shares in a Fund, and may be reduced by certain allowable deductions. Shareholders are advised to consult their tax advisers regarding the possible implications of this additional tax on their investment in a Fund in light of their particular circumstances.
- Distributions by a Fund generally are taxable to a shareholder even if they are paid from income or gains earned by the Fund before that shareholder invested in the Fund (and accordingly the income or gains were included in the price the shareholder paid for the Fund's shares). Distributions are taxable whether shareholders receive them in cash or reinvest them in additional shares.
- Distributions by a Fund to retirement plans that qualify for tax-exempt treatment under U.S. federal income tax laws generally will not be taxable. Special tax rules apply to investments through such plans. You should consult your tax adviser to determine the suitability of a Fund as an investment through such a plan and the tax treatment of distributions from such a plan.

- Any gain resulting from a shareholder's sale, exchange, or redemption of Fund shares generally will be taxable to the shareholder as short- or long-term capital gain, depending on how long the Fund shares were held by the shareholder. Redemptions paid in securities generally are treated by shareholders for U.S. federal income tax purposes the same as redemptions paid in cash.
- To the extent a Fund invests, directly or indirectly, in other GMO Funds, subsidiaries of GMO Funds, or other investment companies treated as RICs, partnerships, trusts or other pass-through structures for U.S. federal income tax purposes, including certain ETFs, the Fund's distributions could vary in terms of their timing, character, and/or amount, in some cases significantly, from what the Fund's distributions would have been had the Fund invested directly in the portfolio investments held by the underlying investment companies. See "Taxes" in the SAI for more information.
- A Fund's income from or the proceeds of dispositions of its non-U.S. investments may be subject to non-U.S. withholding or other taxes. A Fund may otherwise be subject to non-U.S. taxation on repatriation proceeds generated from those investments or to other transaction-based non-U.S. taxes on those investments. Those withholding and other taxes will reduce the Fund's return on and taxable distributions in respect of its non-U.S. investments. In some cases, a Fund may seek a refund in respect of taxes paid to a non-U.S. country (see "Description of Principal Risks—Non-U.S. Investment Risk" for more information). The non-U.S. withholding and other tax rates applicable to a Fund's investments in certain non-U.S. jurisdictions may be higher in certain circumstances, for instance, if a Fund has a significant number of non-U.S. shareholders or if a Fund or an underlying Fund invests through a subsidiary. In certain instances, shareholders may be entitled to claim a credit or deduction (but not both) for non-U.S. taxes paid directly or indirectly. In addition, a Fund's investments in certain non-U.S. investments, foreign currencies or foreign currency derivatives may accelerate Fund distributions to shareholders and increase the distributions taxed to shareholders as ordinary income. See "Taxes" in the SAI for more information.
- Any U.S. withholding or other taxes applicable to a Fund's investments, including in respect of investments in its wholly-owned subsidiary, if any, will reduce the Fund's return on its investments.
- Under the Funds' securities lending arrangements, if a Fund lends a portfolio security and a dividend is paid in respect of the security out on loan, the borrower will be required to pay to that Fund a substitute payment at least equal, on an after-tax basis, to the dividend that the Fund would have received if it had received the dividend directly. Because some borrowers of non-U.S. securities may be subject to levels of taxation that are lower than the rates applicable to that Fund, some borrowers are likely to be motivated by the ability to earn a profit on those differential tax rates and to pay that Fund for the opportunity to earn that profit. In the United States, Congress has enacted legislation limiting the ability of certain swaps and similar derivative instruments and securities lending transactions to reduce otherwise applicable U.S. withholding taxes on U.S. stock dividends paid to a non-U.S. person. There can be no assurance that similar legislation will not be adopted in other jurisdictions with respect to non-U.S. investments or that non-U.S. taxing authorities will not otherwise challenge beneficial tax results arising from swaps or other derivative instruments or securities lending arrangements.
- Some of a Fund's investment practices, including derivative transactions, short sales, hedging activities generally, and securities lending activities, as well as some of a Fund's investments, including debt obligations issued or purchased at a discount, asset-backed securities, assets "marked to the market" for U.S. federal income tax purposes, REITs, equity in certain non-U.S. corporations, master limited partnerships and, potentially, so-called "indexed securities" (such as TIPS or other inflation-indexed bonds), are subject to special and complex U.S. federal income tax provisions. These special rules may affect the timing, character, and amount of a Fund's distributions and, in some cases, may cause a Fund to liquidate investments at disadvantageous times.
- A Fund's investment either directly or indirectly through a wholly-owned subsidiary could affect the amount, timing and character of its distributions and could cause the Fund to recognize taxable income in excess of the cash generated by such investment, requiring the Fund in turn to liquidate investments at disadvantageous times to generate cash needed to make required distributions. See "Taxes" in the SAI for more information about the tax consequences of specific Fund investment practices and investments, including a Fund's investments in a wholly-owned subsidiary.
- The Funds do not expect to pass through to shareholders the tax-exempt character of interest from investments in tax-exempt municipal bonds, if any. Therefore, any interest on municipal bonds will be taxable to shareholders of a Fund when received as a distribution from the Fund.
- In general, in order to qualify as a RIC, a Fund must, among other things, derive at least 90% of its gross income from certain specified sources ("qualifying income"). Each of Benchmark-Free Fund, Implementation Fund, Special Opportunities Fund and Funds that invest in GMO Systematic Global Macro Opportunity Fund, a GMO Fund not offered by this Prospectus, generally should be entitled to treat income that it recognizes from its direct or indirect investments, as applicable, in a wholly-owned foreign subsidiary as qualifying income. There is a risk, however, that the IRS could determine that some or all of the gross income derived from investments in one or more of these foreign subsidiaries is not qualifying income, which might adversely affect a Fund's ability to qualify as a RIC under the Code.
- A Fund's ability to pursue its investment strategy, including a strategy involving the ability to engage in certain derivative transactions, may be limited by such Fund's intention to qualify as a RIC and such Fund's strategy may bear adversely on such Fund's ability to so qualify.

- It is possible that withholding taxes will apply to certain categories of the U.S.-source income of the wholly-owned foreign subsidiaries of Implementation Fund, Special Opportunities Fund, and Benchmark-Free Fund (through its investments in GIF, which in turn invests in a wholly-owned foreign subsidiary) (each, a “parent fund”). It is expected that (i) all the net income and gain from the investments of each such foreign subsidiary will be includible in its parent fund’s net investment income at the end of such subsidiary’s taxable year as so-called “subpart F income”; and (ii) all such subpart F income will be treated as ordinary income in the hands of the subsidiary’s parent fund. It is also expected that a Fund that invests in GMO Systematic Global Macro Opportunity Fund will include in its net investment income, as ordinary income, such Fund’s pro rata share of GMO Systematic Global Macro Opportunity Fund’s inclusion of its wholly owned subsidiary’s subpart F income. Withholding taxes may also apply to certain categories of the U.S.-source income of the wholly-owned foreign subsidiary of GMO Systematic Global Macro Opportunity Fund. A subsidiary’s distributions to its parent fund, or to GMO Systematic Global Macro Opportunity Fund, including in redemption of subsidiary shares, are generally tax-free to the extent of the subsidiary’s subpart F income previously included in its parent fund’s income or in the income of GMO Systematic Global Macro Opportunity Fund, as applicable. Each such subsidiary may be required to liquidate investments at disadvantageous times to generate cash needed to make such distributions to its parent fund or GMO Systematic Global Macro Opportunity Fund, as the case may be. Net losses a subsidiary recognizes during a taxable year will not flow through to its parent fund or to GMO Systematic Global Macro Opportunity Fund, as the case may be, to offset income or gain generated by the parent fund’s or GMO Systematic Global Macro Opportunity Fund’s, as applicable, other investments, or carry forward to subsequent taxable years; this will limit the benefit from those losses.
- Dividends (other than capital gain dividends) paid to non-U.S. shareholders are generally subject to withholding of U.S. federal income tax at a rate of 30% (or lower applicable treaty rate). For more information on the tax consequences of investing in a Fund for non-U.S. shareholders, see “Taxes” in the SAI. Non-U.S. shareholders described in section 892 of the Code should consult their tax advisers with respect to their investment in a Fund.
- Sections 1471-1474 of the Code, and the U.S. Treasury Regulations and IRS guidance issued thereunder (collectively, “FATCA”), generally require a Fund to obtain information sufficient to identify the status of each of its shareholders under FATCA or under an applicable intergovernmental agreement (an “IGA”). If a shareholder fails to provide this information or otherwise fails to comply with FATCA or an IGA, a Fund or its agent may be required to withhold under FATCA 30% of the distributions, other than distributions properly reported as capital gain dividends the Fund pays to that shareholder and, after December 31, 2016, 30% of the gross proceeds of the sale, redemption or exchange of Fund shares and certain capital gain dividends the Fund pays to that shareholder. If a payment by a Fund is subject to FATCA withholding, the Fund or its agent is required to withhold even if the payment would otherwise be exempt from withholding under rules applicable to non-U.S. shareholders (e.g., capital gain dividends). Each prospective shareholder is urged to consult its tax adviser regarding the applicability of FATCA and any other reporting requirements. In addition, foreign countries are considering, and may implement, laws similar in purpose and scope to FATCA, as more fully described above. See “Taxes” in the SAI for more information.
- Most states permit mutual funds, such as the Funds, to “pass through” to their shareholders the state tax exemption on income earned from investments in some direct U.S. Treasury obligations, as well as some limited types of U.S. government agency securities, so long as a fund meets all applicable state requirements. Therefore, you may be allowed to exclude from your state taxable income distributions made to you by a Fund that are attributable to interest the Fund directly or indirectly earned on such investments. The availability of these exemptions varies by state. You should consult your tax adviser regarding the applicability of any such exemption to your situation.

See “Taxes” in the SAI for more information, including a summary of some of the tax consequences of investing in a Fund for non-U.S. shareholders.

Certain Non-U.S. Tax Issues Relating to Singapore

As described above under “Management of the Trust,” GMO Singapore furnishes discretionary investment advisory services and makes investment decisions for all or part of EDOF’s portfolio, as determined by GMO.

GMO believes that an exemption from Singapore taxation should apply to income and gains derived from the provision of such discretionary investment advisory services and from such investment decisions made by GMO Singapore for a “qualifying fund,” so long as, among other requirements, such income and gains constitute “specified income” from “designated investments” as those terms are defined under current Singapore tax law. In this regard, the sources of specified income from designated investments earned solely by EDOF (and not by any other GMO Fund) are considered. GMO expects that substantially all such income and gains earned by EDOF will constitute specified income from designated investments. This tax position takes into account advice received from Singapore legal counsel and relevant Singapore tax law. All income and gains that are considered to be Singapore-sourced (including amounts attributable to fund-level permanent establishment in Singapore) and that do not otherwise qualify for the exemption would generally be subject to Singapore taxation at the current corporate rate of 17%. Shareholders bear the risk of all Fund income tax consequences in the event that income or gains are subject to Singapore taxation.

In addition to the foregoing, a “non-qualifying” shareholder (described below) may be required to pay a “financial amount” to the Inland Revenue Authority of Singapore and fulfill certain Singapore tax reporting requirements. Very generally, non-qualifying

shareholders may include, but are not limited to, Singapore-domiciled shareholders that maintain a permanent establishment in Singapore and who, either alone or with their associates, beneficially own applicable qualifying fund shares representing in excess of 50% of a qualifying fund's net assets as of the final day of that qualifying fund's financial year-end (or in excess of 30% of the qualifying fund's net assets, to the extent the qualifying fund has less than 10 shareholders). The "financial amount" is generally computed by applying the prevailing corporate rate of tax to a non-qualifying shareholders' share of qualifying fund profits.

Shareholders are responsible for evaluating their percentage interest of net assets in a qualifying fund for the purpose of their own particular situations. Relevant information may be derived from account statements and other information provided to shareholders in respect of the qualifying fund. Upon the reasonable request of a shareholder, GMO will provide information necessary to allow the shareholder to assess its percentage ownership in the qualifying fund.

GMO Singapore also furnishes discretionary investment advisory services and makes investment decisions for all or a part of GMO Systematic Global Macro Opportunity Fund's portfolio, as determined by GMO. GMO Systematic Global Macro Opportunity Fund is another series of GMO Trust not offered by this Prospectus. To the extent a Fund invests in GMO Systematic Global Macro Opportunity Fund, it is indirectly exposed to the Singapore taxation issues described above.

Shareholders should consult their own tax advisers regarding the tax consequences of an investment in a Fund, including the implications described herein.

FUND BENCHMARKS AND COMPARATIVE INDICES

The following section provides additional information about the Funds' benchmarks (if any) and other comparative indices listed under "Investment objective" and the "Average Annual Total Returns" table or referenced under "Principal investment strategies" in the Fund summaries:

Benchmark/Comparative Index	Description
Barclays U.S. Aggregate Index	The Barclays U.S. Aggregate Index is an independently maintained and widely published index comprised of U.S. fixed rate debt issues having a maturity of at least one year and rated investment grade or higher.
Barclays U.S. Treasury Inflation Notes: 1-10 Year Index	The Barclays U.S. Treasury Inflation Notes: 1-10 Year Index is an independently maintained and widely published index comprised of inflation-protected securities issued by the U.S. Treasury (TIPS) having a maturity of at least one year and less than ten years.
Citigroup 3-Month Treasury Bill Index	The Citigroup 3-Month Treasury Bill Index is an independently maintained and widely published index comprised of short-term U.S. Treasury bills.
Consumer Price Index	The Consumer Price Index for All Urban Consumers U.S. 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.
GMO Global Asset Allocation Index	The GMO Global Asset Allocation Index is an internally maintained composite benchmark computed by GMO, comprised of (i) the MSCI ACWI (All Country World Index) (MSCI Standard Index Series, net of withholding tax) through 6/30/2002, (ii) 48.75% S&P 500 Index, 16.25% MSCI ACWI ex USA (MSCI Standard Index Series, net of withholding tax), and 35% Barclays U.S. Aggregate Index from 6/30/2002 through 3/31/2007, and (iii) 65% MSCI ACWI (All Country World Index) (MSCI Standard Index Series, net of withholding tax) and 35% Barclays U.S. Aggregate 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. 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.
GMO Strategic Opportunities Allocation Index	The GMO Strategic Opportunities Allocation Index is an internally maintained composite benchmark computed by GMO, comprised of 75% MSCI World Index (MSCI Standard Index Series, net of withholding tax) and 25% Barclays U.S. Aggregate Index. 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.
J.P. Morgan EMBI Global	The J.P. Morgan EMBI (Emerging Markets Bond Index) Global is an independently maintained and widely published index comprised of U.S. dollar-denominated Eurobonds, traded loans, and legacy Brady bonds issued by sovereign and quasi-sovereign entities.

Benchmark/Comparative Index	Description
J.P. Morgan EMBI Global +	The J.P. Morgan EMBI (Emerging Markets Bond Index) Global + is an internally maintained composite benchmark computed by GMO, comprised of (i) the J.P. Morgan EMBI through 8/31/1995, (ii) the J.P. Morgan EMBI + through 12/31/1999, and (iii) the J.P. Morgan EMBI Global thereafter.
J.P. Morgan GBI Global	The J.P. Morgan GBI (Government Bond Index) Global is an independently maintained and widely published index comprised of government bonds of developed countries with maturities of one year or more.
J.P. Morgan GBI Global ex Japan ex U.S. (Hedged)	The J.P. Morgan GBI (Government Bond Index) Global ex Japan ex U.S. (Hedged) is an independently maintained and widely published index comprised of non-U.S. government bonds (excluding Japanese government bonds) with maturities of one year or more that are hedged into U.S. dollars.
J.P. Morgan GBI Global ex Japan ex U.S. (Hedged) +	The J.P. Morgan GBI (Government Bond Index) Global ex Japan ex U.S. (Hedged) + is an internally maintained composite benchmark computed by GMO, comprised of (i) the J.P. Morgan GBI Global ex U.S. (Hedged) through 12/31/2003 and (ii) the J.P. Morgan GBI Global ex Japan ex U.S. (Hedged) thereafter.
J.P. Morgan GBI Global ex U.S.	The J.P. Morgan GBI (Government Bond Index) Global ex U.S. is an independently maintained and widely published index comprised of non-U.S. government bonds with maturities of one year or more.
J.P. Morgan U.S. 3 Month Cash Index	The J.P. Morgan U.S. 3 Month Cash Index is an independently maintained and widely published index comprised of three month U.S. dollar Euro-deposits.
MSCI ACWI	The MSCI ACWI (All Country World Index) (MSCI Standard Index Series, net of withholding tax) is an independently maintained and widely published index comprised of global developed and emerging markets. 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.
MSCI ACWI +	The MSCI ACWI (All Country World Index) + is an internally maintained composite benchmark computed by GMO, comprised of (i) the GMO Global Equity Index, an internally maintained composite benchmark computed by GMO, comprised of 75% S&P 500 Index and 25% MSCI ACWI ex USA (MSCI Standard Index Series, net of withholding tax) through 5/31/2008 and (ii) the MSCI ACWI (MSCI Standard Index Series, net of withholding tax) 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. 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.

Benchmark/Comparative Index	Description
MSCI ACWI Commodity Producers Index	The MSCI ACWI (All Country World Index) Commodity Producers Index (MSCI Standard Index Series, net of withholding tax) is an independently maintained and widely published index comprised of listed large and mid capitalization commodity producers within the global developed and emerging markets. 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.
MSCI ACWI ex USA	The MSCI ACWI (All Country World Index) ex USA (MSCI Standard Index Series, net of withholding tax) is an independently maintained and widely published index comprised of international (excluding U.S. and including emerging) large and mid capitalization stocks. 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.
MSCI EAFE Index	The MSCI EAFE (Europe, Australasia, and Far East) Index (MSCI Standard Index Series, net of withholding tax) is an independently maintained and widely published index comprised of international large and mid capitalization stocks. 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.
MSCI EAFE Index (after tax)	The MSCI EAFE (Europe, Australasia, and Far East) Index (after tax) is an internally maintained benchmark computed by GMO by adjusting the return of the MSCI EAFE Index (MSCI Standard Index Series, net of withholding tax) by its tax cost. GMO estimates the MSCI EAFE Index's tax cost by applying the maximum historical individual U.S. federal tax rate to the MSCI EAFE Index's dividend yield and to its estimated short-term and long-term realized capital gains (losses) (arising from changes in the constituents of the MSCI EAFE Index). 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.
MSCI EAFE Index (Hedged)	The MSCI EAFE (Europe, Australasia, and Far East) Index (Hedged) (net of withholding tax) is an independently maintained and widely published index comprised of international large and mid capitalization stocks currency hedged into U.S. dollars. 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.
MSCI EAFE Small Cap Index	The MSCI EAFE (Europe, Australasia, and Far East) Small Cap Index (MSCI Standard Index Series, net of withholding tax) is an independently maintained and widely published index comprised of international small capitalization stocks. Depending upon the country, as of May 31, 2015, the market capitalization of the largest company in a particular country included in the MSCI EAFE Small Cap Index ranged from approximately \$1.6 billion (Portugal) to \$9.1 billion (United Kingdom). 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.

Benchmark/Comparative Index	Description
MSCI EAFE Small Cap + Index	The MSCI EAFE (Europe, Australasia, and Far East) Small Cap + Index is an internally maintained composite benchmark computed by GMO, comprised of (i) the S&P Developed ex-U.S. Small Cap Index through 5/30/2008 and (ii) the MSCI EAFE Small Cap Index (MSCI Standard Index Series, net of withholding tax) 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.
MSCI EAFE Value Index	The MSCI EAFE (Europe, Australasia, and Far East) Value Index (MSCI Standard Index Series, net of withholding tax) is an independently maintained and widely published index comprised of international large and mid capitalization stocks that have a value style. Large and mid capitalization stocks encompass approximately 85% of each market's free float-adjusted market capitalization. Style is determined using a multi-factor approach based on historical and forward-looking characteristics. 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. 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 Emerging Markets Index	The MSCI Emerging Markets Index (MSCI Standard Index Series, net of withholding tax) is an independently maintained and widely published index comprised of global emerging markets large and mid capitalization stocks. 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.
MSCI Taiwan Index	The MSCI Taiwan Index (MSCI Standard Index Series, net of withholding tax) is an independently maintained and widely published index comprised of equity securities issued by Taiwanese companies. 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.
MSCI World Index	The MSCI World Index (MSCI Standard Index Series, net of withholding tax) is an independently maintained and widely published index comprised of global developed markets. 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.
S&P 500 Index	The S&P 500 Index is an independently maintained and widely published index comprised of U.S. large capitalization stocks. 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.

Benchmark/Comparative Index	Description
S&P Developed ex-U.S. Small Cap Index	<p>The S&P Developed ex-U.S. Small Cap Index is an independently maintained and widely published index comprised of the small capitalization stock component of the S&P Broad Market Index (BMI). The BMI includes listed shares of companies from developed and emerging countries with a total available market capitalization (float) of at least the local equivalent of \$100 million USD. The S&P Developed ex-U.S. Small Cap Index represents the bottom 15% of available market capitalization (float) of the BMI in each country. 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.</p>
S&P/IFCI Composite Index	<p>The S&P/IFCI Composite Index is an independently maintained and widely published index comprised of emerging markets stocks. 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.</p>

FINANCIAL HIGHLIGHTS

(For a share outstanding throughout each period)

The financial highlights tables are intended to help you understand each Fund's financial performance for the past five years (or, if shorter, the period of the Fund's operations). Some information reflects financial results for a single Fund share. The total returns in the tables represent the rate that an investor would have earned (or lost) on an investment in the Fund (assuming reinvestment of all dividends and distributions). This information has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, whose report, along with each Fund's financial statements, is incorporated by reference in the SAI and included in the Trust's annual reports, which are available upon request. Information is presented for each Fund, and class of Fund shares, that had investment operations during the reporting periods and is currently being offered through this Prospectus.

MULTI-ASSET CLASS FUNDS

BENCHMARK-FREE ALLOCATION FUND

	Class III Shares				
	Year Ended February 28/29,				
	2015	2014	2013	2012	2011
Net asset value, beginning of period	\$ 27.07	\$ 25.77	\$ 24.03	\$ 22.72	\$ 21.49
Income (loss) from investment operations:					
Net investment income (loss) ^{(a)†}	0.38	0.48	0.30	0.21	0.36
Net realized and unrealized gain (loss)	0.86	1.57	1.62	1.44 ^(b)	1.28
Total from investment operations	1.24	2.05	1.92	1.65	1.64
Less distributions to shareholders:					
From net investment income	(0.52)	(0.39)	(0.18)	(0.34)	(0.41)
From net realized gains	(0.75)	(0.36)	—	—	—
Total distributions	(1.27)	(0.75)	(0.18)	(0.34)	(0.41)
Net asset value, end of period	\$ 27.04	\$ 27.07	\$ 25.77	\$ 24.03	\$ 22.72
Total Return ^(c)	4.71%	8.03%	8.03%	7.36%	7.69%
Ratios/Supplemental Data:					
Net assets, end of period (000's)	\$6,040,891	\$3,109,509	\$970,749	\$114,452	\$3,170,573
Net operating expenses to average daily net assets ^(d)	0.64%	0.59% ^(g)	0.54% ^(g)	0.01% ^{(f)(g)}	0.00% ^{(c)(g)}
Interest and/or dividend expenses to average daily net assets ^(k)	0.05%	—	—	—	—
Total net expenses to average daily net assets	0.69%	0.59%	0.54%	0.01%	0.00%
Net investment income (loss) to average daily net assets ^(a)	1.41%	1.79%	1.23%	0.93%	1.63%
Portfolio turnover rate	84%	52%	42%	33%	19%
Fees and expenses reimbursed and/or waived by GMO to average daily net assets: ^(m)	0.20%	0.27%	0.41%	0.05%	0.01%
Purchase premiums and redemption fees consisted of the following per share amounts: [†]	\$ 0.01	\$ 0.03	\$ 0.07	\$ 0.00 ⁽ⁱ⁾	\$ 0.01

(a) Net investment income is affected by the timing of the declaration of dividends by the underlying funds in which the Fund invests.

(b) The amount shown for a share outstanding does not correspond with the aggregate net realized and unrealized gain (loss) on investments due to the timing of purchases and redemptions of the Fund shares in relation to fluctuating market values of the investments of the Fund.

(c) The total returns would have been lower had certain expenses not been reimbursed and/or waived during the periods shown, if applicable, and assumes the effect of reinvested distributions, if any. Calculation excludes purchase premiums and redemption fees which are borne by the shareholder purchasing or redeeming Fund shares, if any.

(d) Net expenses exclude expenses incurred indirectly through investment in the underlying funds.

(e) Ratio is less than 0.01%.

(f) Effective January 1, 2012, the Fund pays GMO a management fee of 0.65% of the Fund's average daily net assets.

(g) The net expense ratio does not include the effect of expense reductions.

(h) Period from December 11, 2012 (commencement of operations) through February 28, 2013.

(i) Purchase premiums and redemption fees were less than \$0.01 per share.

(j) Period from March 1, 2012 (commencement of operations) through February 28, 2013.

(k) Interest and dividend expense incurred as a result of entering into reverse repurchase agreements, securities sold short and/or margin on cleared swap contracts, if any, is included in the Fund's net expenses.

(l) Class MF net expenses include a supplemental support fee reduction.

(m) Ratios include indirect fees waived or borne by GMO.

† Calculated using average shares outstanding throughout the period.

* Annualized.

** Not annualized.

BENCHMARK-FREE ALLOCATION FUND (CONT'D)

Class IV Shares			Class MF Shares		
Year Ended February 28/29,			Year Ended February 28/29,		
2015	2014	2013 ^(h)	2015	2014	2013 ⁽ⁱ⁾
\$ 27.06	\$ 25.75	\$ 24.91	\$ 27.07	\$ 25.76	\$ 24.10
0.36	0.46	0.03	0.37	0.49	0.33
0.89	1.61	0.96	0.88	1.58	1.52
1.25	2.07	0.99	1.25	2.07	1.85
(0.53)	(0.40)	(0.15)	(0.53)	(0.40)	(0.19)
(0.75)	(0.36)	—	(0.75)	(0.36)	—
(1.28)	(0.76)	(0.15)	(1.28)	(0.76)	(0.19)
\$ 27.03	\$ 27.06	\$ 25.75	\$ 27.04	\$ 27.07	\$ 25.76
4.75%	8.12%	3.99%**	4.78%	8.11%	7.71%
\$3,363,711	\$2,511,906	\$705,982	\$12,255,179	\$9,103,523	\$2,947,886
0.59%	0.54% ^(g)	0.48%* ^(g)	0.55%	0.53% ^(g)	0.49% ^(g)
0.05%	—	—	0.05%	—	—
0.64%	0.54%	0.48%	0.60%	0.53%	0.49%
1.32%	1.73%	0.60%*	1.37% ⁽¹⁾	1.83%	1.34%
84%	52%	42%**	84%	52%	42%
0.20%	0.27%	0.40%*	0.23%	0.27%	0.41%
\$ 0.01	\$ 0.03	\$ 0.01	\$ 0.01	\$ 0.03	\$ 0.06

GLOBAL ASSET ALLOCATION FUND

	Class III Shares				
	Year Ended February 28/29,				
	2015	2014	2013	2012	2011
Net asset value, beginning of period	\$ 11.80	\$ 10.90	\$ 10.40	\$ 10.22	\$ 9.30
Income (loss) from investment operations:					
Net investment income (loss) ^{(a)†}	0.32	0.27	0.29	0.24	0.17
Net realized and unrealized gain (loss)	0.20	0.91	0.50	0.21	0.94
Total from investment operations	0.52	1.18	0.79	0.45	1.11
Less distributions to shareholders:					
From net investment income	(0.43)	(0.28)	(0.29)	(0.27)	(0.19)
From net realized gains	(0.62)	—	—	—	—
Total distributions	(1.05)	(0.28)	(0.29)	(0.27)	(0.19)
Net asset value, end of period	\$ 11.27	\$ 11.80	\$ 10.90	\$ 10.40	\$ 10.22
Total Return ^(b)	4.55%	10.88%	7.65%	4.51%	11.98%
Ratios/Supplemental Data:					
Net assets, end of period (000's)	\$4,868,922	\$5,362,913	\$4,764,133	\$3,612,740	\$3,457,703
Net expenses to average daily net assets ^{(c)(d)}	0.00%	0.00% ^(e)	0.00% ^(e)	0.00% ^(e)	0.00% ^(e)
Net investment income (loss) to average daily net assets ^(a)	2.75%	2.33%	2.70%	2.37%	1.73%
Portfolio turnover rate	38%	46%	29%	40%	32%
Fees and expenses reimbursed and/or waived by GMO to average daily net assets:	0.01%	0.01%	0.01%	0.01%	0.01%
Purchase premiums and redemption fees consisted of the following per share amounts: ^{(f)†}	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00

- (a) Net investment income is affected by the timing of the declaration of dividends by the underlying funds in which the Fund invests.
- (b) The total returns would have been lower had certain expenses not been reimbursed and/or waived during the periods shown, if applicable, and assumes the effect of reinvested distributions, if any. Calculation excludes purchase premiums and redemption fees which are borne by the shareholder purchasing or redeeming Fund shares, if any.
- (c) Net expenses exclude expenses incurred indirectly through investment in the underlying funds.
- (d) Net expenses to average daily net assets were less than 0.01%.
- (e) The net expense ratio does not include the effect of expense reductions.
- (f) Purchase premiums and redemption fees were less than \$0.01 per share.
- † Calculated using average shares outstanding throughout the period.

EQUITY FUNDS

GLOBAL EQUITY ALLOCATION FUND

	Class III Shares				
	Year Ended February 28/29,				
	2015	2014	2013	2012	2011
Net asset value, beginning of period	\$ 9.43	\$ 8.60	\$ 8.49	\$ 8.60	\$ 7.40
Income (loss) from investment operations:					
Net investment income (loss) ^{(a)†}	0.32	0.28	0.25	0.19	0.15
Net realized and unrealized gain (loss)	(0.01) ^(b)	1.21	0.57	0.00 ^(b)	1.17
Total from investment operations	0.31	1.49	0.82	0.19	1.32
Less distributions to shareholders:					
From net investment income	(0.30)	(0.29)	(0.26)	(0.20)	(0.12)
From net realized gains	(0.70)	(0.37)	(0.45)	(0.10)	—
Total distributions	(1.00)	(0.66)	(0.71)	(0.30)	(0.12)
Net asset value, end of period	\$ 8.74	\$ 9.43	\$ 8.60	\$ 8.49	\$ 8.60
Total Return ^(c)	3.37%	17.60%	10.01%	2.47%	17.97%
Ratios/Supplemental Data:					
Net assets, end of period (000's)	\$3,800,256	\$2,948,319	\$2,220,674	\$1,636,875	\$1,485,712
Net expenses to average daily net assets ^{(e)(f)}	0.00%	0.00% ^(d)	0.00% ^(d)	0.00% ^(d)	0.00% ^(d)
Net investment income (loss) to average daily net assets ^(a)	3.54%	3.02%	2.90%	2.27%	1.96%
Portfolio turnover rate	21%	51%	24%	28%	6%
Fees and expenses reimbursed and/or waived by GMO to average daily net assets:	0.01%	0.01%	0.01%	0.01%	0.02%
Purchase premiums and redemption fees consisted of the following per share amounts: [†]	\$ 0.00 ^(g)	\$ 0.00 ^(g)	\$ 0.00 ^(g)	\$ 0.00 ^(g)	\$ 0.01

- (a) Net investment income is affected by the timing of the declaration of dividends by the underlying funds in which the Fund invests.
- (b) The amount shown for a share outstanding does not correspond with the aggregate net realized and unrealized gain (loss) on investments due to the timing of purchases and redemptions of Fund shares in relation to fluctuating market values of the investments of the Fund.
- (c) The total returns would have been lower had certain expenses not been reimbursed and/or waived during the periods shown, if applicable, and assumes the effect of reinvested distributions, if any. Calculation excludes purchase premiums and redemption fees which are borne by the shareholder purchasing or redeeming Fund shares, if any.
- (d) The net expense ratio does not include the effect of expense reductions.
- (e) Net expenses to average daily net assets were less than 0.01%.
- (f) Net expenses exclude expenses incurred indirectly through investment in the underlying funds.
- (g) Purchase premiums and redemption fees were less than \$0.01 per share.
- † Calculated using average shares outstanding throughout the period.

GLOBAL DEVELOPED EQUITY ALLOCATION FUND

	Class III Shares				
	Year Ended February 28/29,				
	2015	2014	2013	2012	2011
Net asset value, beginning of period	\$ 25.00	\$ 21.13	\$ 19.49	\$ 19.32	\$ 16.74
Income (loss) from investment operations:					
Net investment income (loss) ^{(a)†}	0.80	0.61	0.57	0.40	0.28
Net realized and unrealized gain (loss)	0.02 ^(b)	3.96	1.73	0.18	2.59
Total from investment operations	0.82	4.57	2.30	0.58	2.87
Less distributions to shareholders:					
From net investment income	(0.82)	(0.70)	(0.66)	(0.41)	(0.29)
From net realized gains	(2.16)	—	—	—	—
Total distributions	(2.98)	(0.70)	(0.66)	(0.41)	(0.29)
Net asset value, end of period	\$ 22.84	\$ 25.00	\$ 21.13	\$ 19.49	\$ 19.32
Total Return ^(c)	3.32%	21.68%	11.95%	3.14%	17.19%
Ratios/Supplemental Data:					
Net assets, end of period (000's)	\$1,770,455	\$1,591,060	\$1,531,772	\$1,235,143	\$1,215,043
Net expenses to average daily net assets ^{(d)(e)}	0.00%	0.00% ^(f)	0.00% ^(f)	0.00% ^(f)	0.00% ^(f)
Net investment income (loss) to average daily net assets ^(a)	3.34%	2.62%	2.86%	2.11%	1.61%
Portfolio turnover rate	16%	36%	31%	27%	20%
Fees and expenses reimbursed and/or waived by GMO to average daily net assets:	0.01%	0.01%	0.01%	0.01%	0.01%
Purchase premiums and redemption fees consisted of the following per share amounts:†	\$ 0.00 ^(g)	—	—	—	—

- (a) Net investment income is affected by the timing of the declaration of dividends by the underlying funds in which the Fund invests.
- (b) The amount shown for a share outstanding does not correspond with the aggregate net realized and unrealized gain (loss) on investments due to the timing of purchases and redemptions of Fund shares in relation to fluctuating market values of the investments of the Fund.
- (c) The total returns would have been lower had certain expenses not been reimbursed and/or waived during the periods shown, if applicable, and assumes the effect of reinvested distributions, if any. Calculation excludes purchase premiums and redemption fees which are borne by the shareholder purchasing or redeeming Fund shares, if any.
- (d) Net expenses exclude expenses incurred indirectly through investment in the underlying funds.
- (e) Net expenses to average daily net assets were less than 0.01%.
- (f) The net expense ratio does not include the effect of expense reductions.
- (g) Purchase premiums and redemption fees were less than \$0.01 per share.
- † Calculated using average shares outstanding throughout the period.

DEVELOPED WORLD STOCK FUND

	Class III Shares					Class IV Shares				
	Year Ended February 28/29,					Year Ended February 28/29,				
	2015	2014	2013	2012	2011	2015	2014	2013	2012	2011
Net asset value, beginning of period	\$ 24.28	\$ 19.41	\$ 18.35	\$ 19.24	\$ 16.28	\$ 24.30	\$ 19.42	\$ 18.36	\$ 19.26	\$ 16.30
Income (loss) from investment operations:										
Net investment income (loss) ^{(a)†}	0.52	0.51	0.44	0.43	0.33	0.53	0.52	0.44	0.44	0.34
Net realized and unrealized gain (loss)	0.80	4.75	1.12	(0.78) ^(b)	3.09	0.80	4.76	1.13	(0.79) ^(b)	3.09
Total from investment operations	1.32	5.26	1.56	(0.35)	3.42	1.33	5.28	1.57	(0.35)	3.43
Less distributions to shareholders:										
From net investment income	(0.67)	(0.39)	(0.50)	(0.54)	(0.46)	(0.69)	(0.40)	(0.51)	(0.55)	(0.47)
Total distributions	(0.67)	(0.39)	(0.50)	(0.54)	(0.46)	(0.69)	(0.40)	(0.51)	(0.55)	(0.47)
Net asset value, end of period	\$ 24.93	\$ 24.28	\$ 19.41	\$ 18.35	\$ 19.24	\$ 24.94	\$ 24.30	\$ 19.42	\$ 18.36	\$ 19.26
Total Return ^(c)	5.60%	27.29%	8.68%	(1.64)%	21.41%	5.61%	27.39%	8.74%	(1.61)%	21.44%
Ratios/Supplemental Data:										
Net assets, end of period (000's)	\$158,907	\$170,532	\$145,072	\$147,629	\$210,780	\$289,637	\$274,238	\$215,262	\$197,989	\$201,121
Net expenses to average daily net assets ^(d)	0.60%	0.61%	0.60%	0.60% ^(e)	0.60% ^(e)	0.55%	0.56%	0.55%	0.55% ^(e)	0.55% ^(e)
Net investment income (loss) to average daily net assets	2.13%	2.31%	2.38%	2.40%	1.93%	2.16%	2.37%	2.40%	2.42%	1.98%
Portfolio turnover rate	75%	64%	50%	56%	34%	75%	64%	50%	56%	34%
Fees and expenses reimbursed and/or waived by GMO to average daily net assets:	0.14%	0.10%	0.11%	0.11%	0.11%	0.14%	0.10%	0.11%	0.11%	0.11%
Redemption fees consisted of the following per share amounts:†	\$ 0.00 ^(f)	\$ 0.00 ^(f)	\$ 0.01	\$ 0.01	\$ 0.00 ^(f)	\$ 0.00 ^(f)	\$ 0.00 ^(f)	\$ 0.00 ^(f)	\$ 0.00 ^(f)	\$ 0.00 ^(f)

- (a) Net investment income is affected by the timing of the declaration of dividends by the underlying funds in which the Fund invests.
- (b) The amount shown for a share outstanding does not correspond with the aggregate net realized and unrealized gain (loss) on investments due to the timing of purchases and redemptions of Fund shares in relation to fluctuating market values of the investments of the Fund.
- (c) The total returns would have been lower had certain expenses not been reimbursed and/or waived during the periods shown, if applicable, and assumes the effect of reinvested distributions, if any. Calculation excludes purchase premiums and redemption fees which are borne by the shareholder purchasing or redeeming Fund shares, if any.
- (d) Net expenses exclude expenses incurred indirectly through investment in the underlying funds.
- (e) The net expense ratio does not include the effect of expense reductions.
- (f) Purchase premiums and redemption fees were less than \$0.01 per share.
- † Calculated using average shares outstanding throughout the period.

GLOBAL FOCUSED EQUITY FUND

	Class III Shares			
	Year Ended February 28/29,			
	2015	2014	2013	2012 ^(a)
Net asset value, beginning of period	\$ 25.82	\$ 23.67	\$21.99	\$20.00
Income (loss) from investment operations:				
Net investment income (loss) ^{(b)†}	0.27	0.26	0.31	0.03
Net realized and unrealized gain (loss)	(0.17)	6.19	1.90	1.96
Total from investment operations	0.10	6.45	2.21	1.99
Less distributions to shareholders:				
From net investment income	(0.30)	(0.37)	(0.28)	—
From net realized gains	(3.48)	(3.93)	(0.25)	—
Total distributions	(3.78)	(4.30)	(0.53)	—
Net asset value, end of period	\$ 22.14	\$ 25.82	\$23.67	\$21.99
Total Return ^(c)	(0.14)%	28.89%	10.35%	9.95%**
Ratios/Supplemental Data:				
Net assets, end of period (000's)	\$11,199	\$11,576	\$8,711	\$4,634
Net expenses to average daily net assets	0.79% ^(e)	0.78% ^{(d)(e)}	0.83% ^(e)	0.84%*
Net investment income (loss) to average daily net assets	1.14%	1.00%	1.42%	0.56%*
Portfolio turnover rate	85%	225%	103%	18%††**
Fees and expenses reimbursed and/or waived by GMO to average daily net assets:	1.52%	1.75%	2.38%	8.66%*

^(a) Period from December 1, 2011 (commencement of operations) through February 29, 2012.
^(b) Net investment income is affected by the timing of the declaration of dividends by the underlying funds in which the Fund invests.
^(c) The total returns would have been lower had certain expenses not been reimbursed and/or waived during the periods shown, if applicable, and assumes the effect of reinvested distributions, if any. Calculation excludes purchase premiums and redemption fees which are borne by the shareholder purchasing or redeeming Fund shares, if any.
^(d) The net expense ratio does not include the effect of expense reductions.
^(e) Net expenses exclude expenses incurred indirectly through investment in the underlying funds.
[†] Calculated using average shares outstanding throughout the period.
^{††} Calculation represents portfolio turnover of the Fund for the period from December 1, 2011 through February 29, 2012.
^{*} Annualized.
^{**} Not annualized.

INTERNATIONAL EQUITY ALLOCATION FUND

	Class III Shares				
	Year Ended February 28/29,				
	2015	2014	2013	2012	2011
Net asset value, beginning of period	\$ 11.37	\$ 10.43	\$ 9.98	\$ 10.80	\$ 8.96
Income (loss) from investment operations:					
Net investment income (loss) ^{(a)†}	0.44	0.35	0.32	0.23	0.13
Net realized and unrealized gain (loss)	(0.61)	1.32	0.45	(0.81)	1.87
Total from investment operations	(0.17)	1.67	0.77	(0.58)	2.00
Less distributions to shareholders:					
From net investment income	(0.45)	(0.34)	(0.32)	(0.24)	(0.16)
From net realized gains	(0.18)	(0.39)	—	—	—
Total distributions	(0.63)	(0.73)	(0.32)	(0.24)	(0.16)
Net asset value, end of period	\$ 10.57	\$ 11.37	\$ 10.43	\$ 9.98	\$ 10.80
Total Return ^(b)	(1.30)%	16.22%	7.79%	(5.21)%	22.43%
Ratios/Supplemental Data:					
Net assets, end of period (000's)	\$1,595,039	\$1,790,318	\$1,385,150	\$1,166,993	\$1,277,551
Net expenses to average daily net assets ^{(c)(d)}	0.00%	0.00% ^(e)	0.00% ^(e)	0.00% ^(e)	0.00% ^(e)
Net investment income (loss) to average daily net assets ^(a)	3.94%	3.15%	3.26%	2.33%	1.39%
Portfolio turnover rate	18%	40%	21%	29%	13%
Fees and expenses reimbursed and/or waived by GMO to average daily net assets:	0.01%	0.01%	0.01%	0.01%	0.01%
Purchase premiums and redemption fees consisted of the following per share amounts:†	\$ 0.00 ^(f)	\$ 0.00 ^(f)	\$ 0.01	\$ 0.01	\$ 0.00 ^(f)

^(a) Net investment income is affected by the timing of the declaration of dividends by the underlying funds in which the Fund invests.
^(b) The total returns would have been lower had certain expenses not been reimbursed and/or waived during the periods shown, if applicable, and assumes the effect of reinvested distributions, if any. Calculation excludes purchase premiums and redemption fees which are borne by the shareholder purchasing or redeeming Fund shares, if any.
^(c) Net expenses exclude expenses incurred indirectly through investment in the underlying funds.
^(d) Net expenses to average daily net assets were less than 0.01%.
^(e) The net expense ratio does not include the effect of expense reductions.
^(f) Purchase premiums and redemption fees were less than \$0.01 per share.
[†] Calculated using average shares outstanding throughout the period.

INTERNATIONAL DEVELOPED EQUITY ALLOCATION FUND

	Class III Shares				
	Year Ended February 28/29,				
	2015	2014	2013	2012	2011
Net asset value, beginning of period	\$ 17.99	\$ 14.86	\$ 13.87	\$ 15.23	\$ 12.69
Income (loss) from investment operations:					
Net investment income (loss) ^{(a)†}	0.74	0.54	0.50	0.36	0.18
Net realized and unrealized gain (loss)	(1.11)	3.16	0.97	(1.35)	2.54
Total from investment operations	(0.37)	3.70	1.47	(0.99)	2.72
Less distributions to shareholders:					
From net investment income	(0.74)	(0.57)	(0.48)	(0.37)	(0.18)
Total distributions	(0.74)	(0.57)	(0.48)	(0.37)	(0.18)
Net asset value, end of period	\$ 16.88	\$ 17.99	\$ 14.86	\$ 13.87	\$ 15.23
Total Return ^(b)	(1.86)%	25.02%	10.71%	(6.32)%	21.53%
Ratios/Supplemental Data:					
Net assets, end of period (000's)	\$1,180,493	\$1,150,492	\$966,794	\$810,338	\$796,026
Net expenses to average daily net assets ^{(c)(d)}	0.00%	0.00% ^(e)	0.00% ^(e)	0.00% ^(e)	0.00% ^(e)
Net investment income (loss) to average daily net assets ^(a)	4.24%	3.28%	3.59%	2.53%	1.34%
Portfolio turnover rate	7%	52%	17%	26%	14%
Fees and expenses reimbursed and/or waived by GMO to average daily net assets:	0.01%	0.01%	0.01%	0.01%	0.02%
Purchase premiums and redemption fees consisted of the following per share amounts:†	\$ 0.00 ^(f)	—	—	—	—

(a) Net investment income is affected by the timing of the declaration of dividends by the underlying funds in which the Fund invests.

(b) The total returns would have been lower had certain expenses not been reimbursed and/or waived during the periods shown, if applicable, and assumes the effect of reinvested distributions, if any. Calculation excludes purchase premiums and redemption fees which are borne by the shareholder purchasing or redeeming Fund shares, if any.

(c) Net expenses exclude expenses incurred indirectly through investment in the underlying funds.

(d) Net expenses to average daily net assets were less than 0.01%.

(e) The net expense ratio does not include the effect of expense reductions.

(f) Purchase premiums and redemption fees were less than \$0.01 per share.

† Calculated using average shares outstanding throughout the period.

TAX-MANAGED INTERNATIONAL EQUITIES FUND

	Class III Shares				
	Year Ended February 28/29,				
	2015	2014	2013	2012	2011
Net asset value, beginning of period	\$ 18.03	\$ 14.56	\$ 13.80	\$ 15.41	\$ 12.97
Income (loss) from investment operations:					
Net investment income (loss) ^{†(a)}	0.47	0.57	0.39	0.43	0.30
Net realized and unrealized gain (loss)	(1.05)	3.37	0.83	(1.59)	2.47
Total from investment operations	(0.58)	3.94	1.22	(1.16)	2.77
Less distributions to shareholders:					
From net investment income	(0.65)	(0.47)	(0.46)	(0.45)	(0.33)
Total distributions	(0.65)	(0.47)	(0.46)	(0.45)	(0.33)
Net asset value, end of period	\$ 16.80	\$ 18.03	\$ 14.56	\$ 13.80	\$ 15.41
Total Return ^(b)	(3.10)%	27.37%	8.99%	(7.35)%	21.51%
Ratios/Supplemental Data:					
Net assets, end of period (000's)	\$427,048	\$485,665	\$479,005	\$505,282	\$599,876
Net expenses to average daily net assets ^(c)	0.66%	0.66%	0.67% ^(d)	0.65% ^(d)	0.65% ^(d)
Net investment income (loss) to average daily net assets	2.71%	3.54%	2.83%	3.02%	2.20%
Portfolio turnover rate	69%	49%	54%	48%	40%
Fees and expenses reimbursed and/or waived by GMO to average daily net assets:	0.12%	0.10%	0.12%	0.11%	0.11%

(a) Net investment income is affected by the timing of the declaration of dividends by the underlying funds in which the Fund invests.

(b) The total returns would have been lower had certain expenses not been reimbursed and/or waived during the periods shown, if applicable, and assumes the effect of reinvested distributions, if any. Calculation excludes purchase premiums and redemption fees which are borne by the shareholder purchasing or redeeming Fund shares, if any.

(c) Net expenses exclude expenses incurred indirectly through investment in the underlying funds.

(d) The net expense ratio does not include the effect of expense reductions.

† Calculated using average shares outstanding throughout the period.

INTERNATIONAL EQUITY FUND

	Class II Shares				
	Year Ended February 28/29,				
	2015	2014	2013	2012	2011
Net asset value, beginning of period	\$ 26.16	\$ 20.94	\$ 20.18	\$ 23.07	\$ 19.35
Income (loss) from investment operations:					
Net investment income (loss) ^{†(a)}	0.66	0.80	0.56	0.63	0.48
Net realized and unrealized gain (loss)	(1.42)	4.88	0.85	(2.83) ^(b)	3.51
Total from investment operations	(0.76)	5.68	1.41	(2.20)	3.99
Less distributions to shareholders:					
From net investment income	(1.07)	(0.46)	(0.65)	(0.69)	(0.27)
From net realized gains	(0.90)	—	—	—	—
Total distributions	(1.97)	(0.46)	(0.65)	(0.69)	(0.27)
Net asset value, end of period	\$ 23.43	\$ 26.16	\$ 20.94	\$ 20.18	\$ 23.07
Total Return ^(c)	(2.55)%	27.41%	7.23%	(9.51)%	20.79%
Ratios/Supplemental Data:					
Net assets, end of period (000's)	\$118,737	\$139,401	\$169,056	\$292,379	\$217,090
Net expenses to average daily net assets ^(d)	0.72%	0.72% ^(e)	0.72% ^(e)	0.72% ^(e)	0.72% ^(e)
Net investment income (loss) to average daily net assets	2.63%	3.47%	2.87%	3.04%	2.36%
Portfolio turnover rate	70%	48%	40%	37%	40%
Fees and expenses reimbursed and/or waived by GMO to average daily net assets:	0.04%	0.04%	0.04%	0.05%	0.05%

(a) Net investment income is affected by the timing of the declaration of dividends by the underlying funds in which the Fund invests.

(b) The amount shown for a share outstanding does not correspond with the aggregate net realized and unrealized gain (loss) on investments due to the timing of purchases and redemptions of Fund shares in relation to fluctuating market values of the investments of the Fund.

(c) The total returns would have been lower had certain expenses not been reimbursed and/or waived during the periods shown, if applicable, and assumes the effect of reinvested distributions, if any. Calculation excludes purchase premiums and redemption fees which are borne by the shareholder purchasing or redeeming Fund shares, if any.

(d) Net expenses exclude expenses incurred indirectly through investment in the underlying funds.

(e) The net expense ratio does not include the effect of expense reductions.

† Calculated using average shares outstanding throughout the period.

INTERNATIONAL LARGE/MID CAP EQUITY FUND

	Class III Shares				
	Year Ended February 28/29,				
	2015	2014	2013	2012	2011
Net asset value, beginning of period	\$ 35.20	\$ 28.96	\$ 27.50	\$ 30.77	\$ 25.63
Income (loss) from investment operations:					
Net investment income (loss) ^{†(a)}	0.92	1.18	0.77	0.87	0.62
Net realized and unrealized gain (loss)	(2.19)	6.56	1.62	(3.15)	5.11
Total from investment operations	(1.27)	7.74	2.39	(2.28)	5.73
Less distributions to shareholders:					
From net investment income	(1.46)	(1.50)	(0.93)	(0.99)	(0.59)
From net realized gains	(2.31)	—	—	—	—
Total distributions	(3.77)	(1.50)	(0.93)	(0.99)	(0.59)
Net asset value, end of period	\$ 30.16	\$ 35.20	\$ 28.96	\$ 27.50	\$ 30.77
Total Return ^(b)	(3.33)%	27.30%	8.93%	(7.25)%	22.61%
Ratios/Supplemental Data:					
Net assets, end of period (000's)	\$592,365	\$598,840	\$621,870	\$885,023	\$857,774
Net expenses to average daily net assets ^(c)	0.53%	0.53% ^(d)	0.53% ^(d)	0.53% ^(d)	0.53% ^(d)
Net investment income (loss) to average daily net assets	2.80%	3.70%	2.87%	3.10%	2.28%
Portfolio turnover rate	82%	54%	47%	34%	40%
Fees and expenses reimbursed and/or waived by GMO to average daily net assets:	0.07%	0.06%	0.05%	0.04%	0.05%

(a) Net investment income is affected by the timing of the declaration of dividends by the underlying funds in which the Fund invests.

(b) The total returns would have been lower had certain expenses not been reimbursed and/or waived during the periods shown, if applicable, and assumes the effect of reinvested distributions, if any. Calculation excludes purchase premiums and redemption fees which are borne by the shareholder purchasing or redeeming Fund shares, if any.

(c) Net expenses exclude expenses incurred indirectly through investment in the underlying funds.

(d) The net expense ratio does not include the effect of expense reductions.

† Calculated using average shares outstanding throughout the period.

INTERNATIONAL EQUITY FUND (CONT'D)

Class III Shares					Class IV Shares				
Year Ended February 28/29,					Year Ended February 28/29,				
2015	2014	2013	2012	2011	2015	2014	2013	2012	2011
\$ 26.44	\$ 21.16	\$ 20.39	\$ 23.31	\$ 19.56	\$ 26.41	\$ 21.14	\$ 20.37	\$ 23.30	\$ 19.55
0.69	0.86	0.56	0.65	0.47	0.67	0.89	0.54	0.62	0.48
(1.45)	4.90	0.88	(2.86) ^(b)	3.58	(1.42)	4.88	0.91	(2.83) ^(b)	3.58
(0.76)	5.76	1.44	(2.21)	4.05	(0.75)	5.77	1.45	(2.21)	4.06
(1.08)	(0.48)	(0.67)	(0.71)	(0.30)	(1.10)	(0.50)	(0.68)	(0.72)	(0.31)
(0.90)	—	—	—	—	(0.90)	—	—	—	—
(1.98)	(0.48)	(0.67)	(0.71)	(0.30)	(2.00)	(0.50)	(0.68)	(0.72)	(0.31)
\$ 23.70	\$ 26.44	\$ 21.16	\$ 20.39	\$ 23.31	\$ 23.66	\$ 26.41	\$ 21.14	\$ 20.37	\$ 23.30
(2.50)%	27.53%	7.30%	(9.47)%	20.88%	(2.47)%	27.60%	7.39%	(9.43)%	20.96%
\$1,523,128	\$1,555,509	\$1,540,203	\$1,812,184	\$2,257,078	\$11,374,017	\$11,926,293	\$7,366,819	\$5,047,058	\$3,458,202
0.65%	0.65% ^(c)	0.65% ^(c)	0.65% ^(c)	0.65% ^(c)	0.59%	0.59% ^(c)	0.59% ^(c)	0.59% ^(c)	0.59% ^(c)
2.73%	3.62%	2.82%	3.09%	2.30%	2.66%	3.74%	2.70%	3.00%	2.32%
70%	48%	40%	37%	40%	70%	48%	40%	37%	40%
0.04%	0.04%	0.04%	0.05%	0.05%	0.04%	0.04%	0.04%	0.05%	0.05%

INTERNATIONAL LARGE/MID CAP EQUITY FUND (CONT'D)

Class IV Shares					Class VI Shares				
Year Ended February 28/29,					Year Ended February 28/29,				
2015	2014	2013	2012	2011	2015	2014	2013	2012	2011
\$ 35.18	\$ 28.94	\$ 27.48	\$ 30.75	\$ 25.62	\$35.15	\$ 28.91	\$ 27.46	\$ 30.72	\$ 25.60
0.96	1.17	0.80	0.90	0.61	0.94	1.58	0.79	0.92	0.61
(2.21)	6.60	1.60	(3.17)	5.13	(2.17)	6.17	1.61	(3.17)	5.13
(1.25)	7.77	2.40	(2.27)	5.74	(1.23)	7.75	2.40	(2.25)	5.74
(1.48)	(1.53)	(0.94)	(1.00)	(0.61)	(1.50)	(1.51)	(0.95)	(1.01)	(0.62)
(2.31)	—	—	—	—	(2.31)	—	—	—	—
(3.79)	(1.53)	(0.94)	(1.00)	(0.61)	(3.81)	(1.51)	(0.95)	(1.01)	(0.62)
\$ 30.14	\$ 35.18	\$ 28.94	\$ 27.48	\$ 30.75	\$30.11	\$ 35.15	\$ 28.91	\$ 27.46	\$ 30.72
(3.28)%	27.40%	9.00%	(7.19)%	22.68%	(3.24)%	27.39%	9.01%	(7.13)%	22.69%
\$1,346,483	\$1,262,615	\$1,394,919	\$1,078,912	\$1,235,303	\$ 855	\$319,285	\$2,481,773	\$2,247,969	\$3,507,677
0.47%	0.47% ^(d)	0.47% ^(d)	0.47% ^(d)	0.47% ^(d)	0.44%	0.44% ^(d)	0.44% ^(d)	0.44% ^(d)	0.44% ^(d)
2.91%	3.69%	2.93%	3.18%	2.24%	2.89%	5.24%	2.89%	3.25%	2.25%
82%	54%	47%	34%	40%	82%	54%	47%	34%	40%
0.07%	0.06%	0.05%	0.05%	0.05%	0.07%	0.05%	0.05%	0.05%	0.05%

FOREIGN FUND

	Class II Shares				
	Year Ended February 28/29,				
	2015	2014	2013	2012	2011
Net asset value, beginning of period	\$ 13.58	\$ 11.57	\$ 11.21	\$ 12.88	\$ 11.07
Income (loss) from investment operations:					
Net investment income (loss) ^{(a)†}	0.26	0.30	0.29	0.31	0.24
Net realized and unrealized gain (loss)	(0.93)	2.04	0.43	(1.43)	1.79
Total from investment operations	(0.67)	2.34	0.72	(1.12)	2.03
Less distributions to shareholders:					
From net investment income	(0.39)	(0.33)	(0.36)	(0.55)	(0.22)
From net realized gains	(0.40)	—	—	—	—
Total distributions	(0.79)	(0.33)	(0.36)	(0.55)	(0.22)
Net asset value, end of period	\$ 12.12	\$ 13.58	\$ 11.57	\$ 11.21	\$ 12.88
Total Return ^(b)	(4.75)%	20.39%	6.65%	(8.38)%	18.71%
Ratios/Supplemental Data:					
Net assets, end of period (000's)	\$108,343	\$165,028	\$217,052	\$259,270	\$417,685
Net expenses to average daily net assets	0.83% ^(c)	0.83% ^{(c)(d)}	0.84% ^{(c)(d)}	0.82% ^(d)	0.82% ^(d)
Net investment income (loss) to average daily net assets	2.04%	2.37%	2.65%	2.71%	2.09%
Portfolio turnover rate	113%	98%	91%	58%	55%
Fees and expenses reimbursed and/or waived by GMO to average daily net assets:	0.13%	0.11%	0.07%	0.07%	0.06%

(a) Net investment income is affected by the timing of the declaration of dividends by the underlying funds in which the Fund invests.

(b) The total returns would have been lower had certain expenses not been reimbursed and/or waived during the periods shown, if applicable, and assumes the effect of reinvested distributions, if any. Calculation excludes purchase premiums and redemption fees which are borne by the shareholder purchasing or redeeming Fund shares, if any.

(c) Net expenses exclude expenses incurred indirectly through investment in the underlying funds.

(d) The net expense ratio does not include the effect of expense reductions.

† Calculated using average shares outstanding throughout the period.

FOREIGN SMALL COMPANIES FUND

	Class III Shares				
	Year Ended February 28/29,				
	2015	2014	2013	2012	2011
Net asset value, beginning of period	\$ 17.29	\$ 14.40	\$ 12.91	\$ 14.22	\$ 10.74
Income (loss) from investment operations:					
Net investment income (loss) ^{(a)†}	0.20	0.27	0.23	0.19	0.14
Net realized and unrealized gain (loss)	(1.34)	3.62	1.43	(1.27) ^(b)	3.47
Total from investment operations	(1.14)	3.89	1.66	(1.08)	3.61
Less distributions to shareholders:					
From net investment income	(0.23)	(0.48)	(0.17)	(0.23)	(0.13)
From net realized gains	(0.61)	(0.52)	—	—	—
Total distributions	(0.84)	(1.00)	(0.17)	(0.23)	(0.13)
Net asset value, end of period	\$ 15.31	\$ 17.29	\$ 14.40	\$ 12.91	\$ 14.22
Total Return ^(c)	(6.34)%	27.54%	12.93%	(7.45)%	33.67%
Ratios/Supplemental Data:					
Net assets, end of period (000's)	\$353,778	\$236,393	\$314,389	\$483,122	\$398,648
Net expenses to average daily net assets	0.85% ^(d)	0.86% ^{(d)(e)}	0.85% ^{(d)(e)}	0.86% ^(e)	0.85% ^(e)
Net investment income (loss) to average daily net assets	1.26%	1.73%	1.83%	1.43%	1.15%
Portfolio turnover rate	58%	57%	56%	46%	61%
Fees and expenses reimbursed and/or waived by GMO to average daily net assets:	0.07%	0.07%	0.09%	0.10%	0.14%
Purchase premiums and redemption fees consisted of the following per share amounts:†	\$ 0.01	\$ 0.00 ^(f)	\$ 0.02	\$ 0.00 ^(f)	\$ 0.01

(a) Net investment income is affected by the timing of the declaration of dividends by the underlying funds in which the Fund invests.

(b) The amount shown for a share outstanding does not correspond with the aggregate net realized and unrealized gain (loss) on investments due to the timing of purchases and redemptions of Fund shares in relation to fluctuating market values of the investments of the Fund.

(c) The total returns would have been lower had certain expenses not been reimbursed and/or waived during the periods shown, if applicable, and assumes the effect of reinvested distributions, if any. Calculation excludes purchase premiums and redemption fees which are borne by the shareholder purchasing or redeeming Fund shares, if any.

(d) Net expenses exclude expenses incurred indirectly through investment in the underlying funds.

(e) The net expense ratio does not include the effect of expense reductions.

(f) Purchase premiums and redemption fees were less than \$0.01 per share.

† Calculated using average shares outstanding throughout the period.

FOREIGN FUND (CONT'D)

Class III Shares					Class IV Shares				
Year Ended February 28/29,					Year Ended February 28/29,				
2015	2014	2013	2012	2011	2015	2014	2013	2012	2011
\$ 13.66	\$ 11.64	\$ 11.27	\$ 12.95	\$ 11.13	\$ 14.00	\$ 11.92	\$ 11.55	\$ 13.25	\$ 11.39
0.26	0.32	0.30	0.34	0.24	0.40	0.35	0.33	0.33	0.25
(0.92)	2.04	0.44	(1.47)	1.81	(1.07)	2.08	0.42	(1.46)	1.85
(0.66)	2.36	0.74	(1.13)	2.05	(0.67)	2.43	0.75	(1.13)	2.10
(0.40)	(0.34)	(0.37)	(0.55)	(0.23)	(0.40)	(0.35)	(0.38)	(0.57)	(0.24)
(0.40)	—	—	—	—	(0.40)	—	—	—	—
(0.80)	(0.34)	(0.37)	(0.55)	(0.23)	(0.80)	(0.35)	(0.38)	(0.57)	(0.24)
\$ 12.20	\$ 13.66	\$ 11.64	\$ 11.27	\$ 12.95	\$ 12.53	\$ 14.00	\$ 11.92	\$ 11.55	\$ 13.25
(4.64)%	20.42%	6.75%	(8.36)%	18.80%	(4.59)%	20.54%	6.68%	(8.21)%	18.80%
\$152,047	\$197,489	\$222,262	\$403,157	\$1,440,952	\$24,905	\$67,628	\$88,992	\$391,421	\$833,582
0.76% ^(c)	0.76% ^{(c)(d)}	0.77% ^{(c)(d)}	0.75% ^(d)	0.75% ^(d)	0.70% ^(c)	0.70% ^{(c)(d)}	0.70% ^{(c)(d)}	0.69% ^(d)	0.69% ^(d)
2.02%	2.53%	2.78%	2.89%	2.08%	2.96%	2.71%	3.02%	2.74%	2.10%
113%	98%	91%	58%	55%	113%	98%	91%	58%	55%
0.13%	0.12%	0.07%	0.08%	0.06%	0.13%	0.11%	0.07%	0.07%	0.06%

FOREIGN SMALL COMPANIES FUND (CONT'D)

Class IV Shares				
Year Ended February 28/29,				
2015	2014	2013	2012	2011
\$ 17.25	\$ 14.37	\$ 12.90	\$ 14.20	\$ 10.73
0.21	0.25	0.12	0.17	0.13
(1.34)	3.64	1.54	(1.23) ^(b)	3.47
(1.13)	3.89	1.66	(1.06)	3.60
(0.23)	(0.49)	(0.19)	(0.24)	(0.13)
(0.61)	(0.52)	—	—	—
(0.84)	(1.01)	(0.19)	(0.24)	(0.13)
\$ 15.28	\$ 17.25	\$ 14.37	\$ 12.90	\$ 14.20
(6.25)%	27.61%	12.96%	(7.33)%	33.67%
\$760,850	\$851,384	\$471,628	\$71,373	\$147,131
0.80% ^(d)	0.81% ^{(d)(e)}	0.80% ^{(d)(e)}	0.81% ^(e)	0.80% ^(e)
1.32%	1.56%	0.90%	1.34%	1.07%
58%	57%	56%	46%	61%
0.07%	0.07%	0.10%	0.10%	0.14%
\$ 0.01	\$ 0.00 ^(f)	\$ 0.01	\$ 0.01	\$ 0.02

INTERNATIONAL SMALL COMPANIES FUND

	Class III Shares				
	Year Ended February 28/29,				
	2015	2014	2013	2012	2011
Net asset value, beginning of period	\$ 10.23	\$ 8.34	\$ 7.44	\$ 8.48	\$ 6.63
Income (loss) from investment operations:					
Net investment income (loss) ^{†(a)}	0.19	0.15	0.18	0.17	0.14
Net realized and unrealized gain (loss)	(0.73)	2.37	1.02	(0.84)	1.88
Total from investment operations	(0.54)	2.52	1.20	(0.67)	2.02
Less distributions to shareholders:					
From net investment income	(0.22)	(0.45)	(0.30)	(0.37)	(0.17)
From net realized gains	(1.82)	(0.18)	—	—	—
Total distributions	(2.04)	(0.63)	(0.30)	(0.37)	(0.17)
Net asset value, end of period	\$ 7.65	\$ 10.23	\$ 8.34	\$ 7.44	\$ 8.48
Total Return ^(b)	(4.87)%	31.30%	16.75%	(8.05)%	31.11%
Ratios/Supplemental Data:					
Net assets, end of period (000's)	\$283,446	\$382,688	\$313,557	\$368,374	\$467,733
Net expenses to average daily net assets ^(c)	0.77%	0.77% ^(d)	0.76% ^(d)	0.76% ^(d)	0.76% ^(d)
Net investment income (loss) to average daily net assets	2.15%	1.63%	2.50%	2.28%	1.91%
Portfolio turnover rate	83%	79%	76%	90%	55%
Fees and expenses reimbursed and/or waived by GMO to average daily net assets:	0.17%	0.15%	0.17%	0.14%	0.12%
Purchase premiums and redemption fees consisted of the following per share amounts: [†]	\$ 0.01	\$ 0.01	\$ 0.00 ^(e)	\$ 0.01	\$ 0.05

^(a) Net investment income is affected by the timing of the declaration of dividends by the underlying funds in which the Fund invests.

^(b) The total returns would have been lower had certain expenses not been reimbursed and/or waived during the periods shown, if applicable, and assumes the effect of reinvested distributions, if any. Calculation excludes purchase premiums and redemption fees which are borne by the shareholder purchasing or redeeming Fund shares, if any.

^(c) Net expenses exclude expenses incurred indirectly through investment in the underlying funds.

^(d) The net expense ratio does not include the effect of expense reductions.

^(e) Purchase premiums and redemption fees were less than \$0.01 per share.

[†] Calculated using average shares outstanding throughout the period.

U.S. EQUITY ALLOCATION FUND

	Class III Shares				
	Year Ended February 28/29,				
	2015	2014	2013	2012	2011
Net asset value, beginning of period	\$ 17.27	\$ 14.51	\$ 13.06	\$ 12.00	\$ 10.57
Income (loss) from investment operations:					
Net investment income (loss) ^{(a)†}	0.28	0.28	0.26	0.22	0.18
Net realized and unrealized gain (loss)	1.66	2.77	1.47	1.08	1.43
Total from investment operations	1.94	3.05	1.73	1.30	1.61
Less distributions to shareholders:					
From net investment income	(0.31)	(0.29)	(0.28)	(0.24)	(0.18)
From net realized gains	(2.29)	—	—	—	—
Total distributions	(2.60)	(0.29)	(0.28)	(0.24)	(0.18)
Net asset value, end of period	\$ 16.61	\$ 17.27	\$ 14.51	\$ 13.06	\$ 12.00
Total Return ^(b)	12.18%	21.11%	13.40%	11.00%	15.42%
Ratios/Supplemental Data:					
Net assets, end of period (000's)	\$286,934	\$488,982	\$188,363	\$259,751	\$393,523
Net expenses to average daily net assets ^(d)	0.46%	0.46% ^(c)	0.46% ^(c)	0.46% ^(c)	0.46% ^(c)
Net investment income (loss) to average daily net assets	1.59%	1.71%	1.95%	1.82%	1.68%
Portfolio turnover rate	67%	74%	79%	61%	96%
Fees and expenses reimbursed and/or waived by GMO to average daily net assets:	0.02%	0.02%	0.02%	0.03%	0.03%

^(a) Net investment income is affected by the timing of the declaration of dividends by the underlying funds in which the Fund invests.

^(b) The total returns would have been lower had certain expenses not been reimbursed and/or waived during the periods shown, if applicable, and assumes the effect of reinvested distributions, if any. Calculation excludes purchase premiums and redemption fees which are borne by the shareholder purchasing or redeeming Fund shares, if any.

^(c) The net expense ratio does not include the effect of expense reductions.

^(d) Net expenses exclude expenses incurred indirectly through investment in the underlying funds.

[†] Calculated using average shares outstanding throughout the period.

U.S. EQUITY ALLOCATION FUND (CONT'D)

Class IV Shares					Class VI Shares				
Year Ended February 28/29,					Year Ended February 28/29,				
2015	2014	2013	2012	2011	2015	2014	2013	2012	2011
\$ 17.24	\$ 14.48	\$ 13.04	\$ 11.98	\$ 10.55	\$ 17.21	\$ 14.47	\$ 13.02	\$ 11.97	\$ 10.54
0.29	0.29	0.27	0.22	0.18	0.30	0.30	0.28	0.23	0.20
1.66	2.77	1.46	1.08	1.43	1.65	2.74	1.46	1.07	1.42
1.95	3.06	1.73	1.30	1.61	1.95	3.04	1.74	1.30	1.62
(0.32)	(0.30)	(0.29)	(0.24)	(0.18)	(0.33)	(0.30)	(0.29)	(0.25)	(0.19)
(2.29)	—	—	—	—	(2.29)	—	—	—	—
(2.61)	(0.30)	(0.29)	(0.24)	(0.18)	(2.62)	(0.30)	(0.29)	(0.25)	(0.19)
\$ 16.58	\$ 17.24	\$ 14.48	\$ 13.04	\$ 11.98	\$ 16.54	\$ 17.21	\$ 14.47	\$ 13.02	\$ 11.97
12.27%	21.21%	13.40%	11.05%	15.47%	12.28%	21.14%	13.56%	11.06%	15.59%
\$431,841	\$288,782	\$44,849	\$52,486	\$163,627	\$6,031,361	\$7,082,304	\$1,249,117	\$1,095,053	\$1,129,978
0.41%	0.41% ^(c)	0.41% ^(c)	0.41% ^(c)	0.41% ^(c)	0.37%	0.37% ^(c)	0.37% ^(c)	0.37% ^(c)	0.37% ^(c)
1.63%	1.75%	2.01%	1.88%	1.68%	1.70%	1.85%	2.08%	1.93%	1.80%
67%	74%	79%	61%	96%	67%	74%	79%	61%	96%
0.02%	0.02%	0.02%	0.03%	0.03%	0.02%	0.02%	0.02%	0.03%	0.03%

EMERGING MARKETS FUND

	Class II Shares					Class III Shares				
	Year Ended February 28/29,					Year Ended February 28/29,				
	2015	2014	2013	2012	2011	2015	2014	2013	2012	2011
Net asset value, beginning of period	\$ 10.20	\$ 11.74	\$ 12.10	\$ 14.46	\$ 11.63	\$ 10.23	\$ 11.77	\$ 12.13	\$ 14.49	\$ 11.66
Income (loss) from investment operations:										
Net investment income (loss) ^{(a)†}	0.28	0.25	0.22	0.24	0.16	0.27	0.27	0.24	0.26	0.16
Net realized and unrealized gain (loss)	0.00 ^(b)	(1.52)	(0.35)	(0.65)	2.84	0.02	(1.54)	(0.36)	(0.66)	2.85
Total from investment operations	0.28	(1.27)	(0.13)	(0.41)	3.00	0.29	(1.27)	(0.12)	(0.40)	3.01
Less distributions to shareholders:										
From net investment income	(0.32)	(0.27)	(0.23)	(0.21)	(0.17)	(0.33)	(0.27)	(0.24)	(0.22)	(0.18)
From net realized gains	—	—	—	(1.74)	—	—	—	—	(1.74)	—
Total distributions	(0.32)	(0.27)	(0.23)	(1.95)	(0.17)	(0.33)	(0.27)	(0.24)	(1.96)	(0.18)
Net asset value, end of period	\$ 10.16	\$ 10.20	\$ 11.74	\$ 12.10	\$ 14.46	\$ 10.19	\$ 10.23	\$ 11.77	\$ 12.13	\$ 14.49
Total Return ^(d)	2.84%	(10.92)%	(1.00)%	(1.94)%	25.77%	2.91%	(10.87)%	(0.96)%	(1.89)%	25.80%
Ratios/Supplemental Data:										
Net assets, end of period (000's)	\$1,000,299	\$1,308,100	\$2,004,694	\$2,100,382	\$2,304,697	\$283,712	\$447,963	\$970,102	\$1,334,720	\$1,445,916
Net expenses to average daily net assets ^(e)	1.07%	1.06% ^(f)	1.06% ^(f)	1.05% ^(f)	1.07% ^(f)	1.02%	1.01% ^(f)	1.01% ^(f)	1.00% ^(f)	1.02% ^(f)
Net investment income (loss) to average daily net assets	2.66%	2.33%	1.97%	1.88%	1.21%	2.55%	2.45%	2.12%	2.00%	1.17%
Portfolio turnover rate	94%	98%	119%	108%	114%	94%	98%	119%	108%	114%
Fees and expenses reimbursed and/or waived by GMO to average daily net assets:	0.03%	0.03%	0.03%	0.03%	0.03%	0.01%	0.01%	0.01%	0.01%	0.01%
Purchase premiums and redemption fees consisted of the following per share amounts:†	\$ 0.04	\$ 0.03	\$ 0.02	\$ 0.02	\$ 0.02	\$ 0.04	\$ 0.03	\$ 0.01	\$ 0.01	\$ 0.00 ^(g)

(a) Net investment income is affected by the timing of the declaration of dividends by the underlying funds in which the Fund invests.

(b) Net realized and unrealized gain (loss) was less than \$0.01 per share.

(c) The amount shown for a share outstanding does not correspond with the aggregate net realized and unrealized gain (loss) on investments due to the timing of purchases and redemptions of Fund shares in relation to fluctuating market values of the investments of the Fund.

(d) The total returns would have been lower had certain expenses not been reimbursed and/or waived during the periods shown, if applicable, and assumes the effect of reinvested distributions, if any. Calculation excludes purchase premiums and redemption fees which are borne by the shareholder purchasing or redeeming Fund shares, if any.

(e) Net expenses exclude expenses incurred indirectly through investment in the underlying funds.

(f) The net expense ratio does not include the effect of expense reductions.

(g) Purchase premiums and redemption fees were less than \$0.01 per share.

† Calculated using average shares outstanding throughout the period.

EMERGING COUNTRIES FUND

	Class III Shares				
	Year Ended February 28/29,				
	2015	2014	2013	2012	2011
Net asset value, beginning of period	\$ 9.21	\$ 10.61	\$ 11.03	\$ 11.50	\$ 9.24
Income (loss) from investment operations:					
Net investment income (loss) ^{(a)†}	0.22	0.26	0.20	0.24	0.11
Net realized and unrealized gain (loss)	0.05	(1.38)	(0.43)	(0.50) ^(b)	2.28
Total from investment operations	0.27	(1.12)	(0.23)	(0.26)	2.39
Less distributions to shareholders:					
From net investment income	(0.35)	(0.28)	(0.19)	(0.21)	(0.13)
Total distributions	(0.35)	(0.28)	(0.19)	(0.21)	(0.13)
Net asset value, end of period	\$ 9.13	\$ 9.21	\$ 10.61	\$ 11.03	\$ 11.50
Total Return ^(c)	3.02%	(10.61)%	(2.05)%	(1.96)%	25.89%
Ratios/Supplemental Data:					
Net assets, end of period (000's)	\$38,502	\$46,055	\$134,535	\$157,638	\$231,921
Net expenses to average daily net assets ^(d)	1.23%	1.24% ^(e)	1.18% ^(e)	1.17% ^(e)	1.15% ^(e)
Net investment income (loss) to average daily net assets	2.27%	2.66%	1.94%	2.14%	1.05%
Portfolio turnover rate	74%	122%	108%	113%	124%
Fees and expenses reimbursed and/or waived by GMO to average daily net assets:	0.28%	0.43%	0.21%	0.14%	0.15%

(a) Net investment income is affected by the timing of the declaration of dividends by the underlying funds in which the Fund invests.

(b) The amount shown for a share outstanding does not correspond with the aggregate net realized and unrealized gain (loss) on investments due to the timing of purchases and redemptions of Fund shares in relation to fluctuating market values of the investments of the Fund.

(c) The total returns would have been lower had certain expenses not been reimbursed and/or waived during the periods shown, if applicable, and assumes the effect of reinvested distributions, if any. Calculation excludes purchase premiums and redemption fees which are borne by the shareholder purchasing or redeeming Fund shares, if any.

(d) Net expenses exclude expenses incurred indirectly through investment in the underlying funds.

(e) The net expense ratio does not include the effect of expense reductions.

† Calculated using average shares outstanding throughout the period.

EMERGING MARKETS FUND (CONT'D)

Class IV Shares					Class V Shares					Class VI Shares				
Year Ended February 28/29,					Year Ended February 28/29,					Year Ended February 28/29,				
2015	2014	2013	2012	2011	2015	2014	2013	2012	2011	2015	2014	2013	2012	2011
\$ 10.15	\$ 11.68	\$ 12.03	\$ 14.40	\$ 11.58	\$ 10.13	\$ 11.66	\$ 12.01	\$ 14.39	\$ 11.57	\$ 10.15	\$ 11.68	\$ 12.04	\$ 14.41	\$ 11.59
0.28	0.28	0.22	0.26	0.17	0.29	0.26	0.25	0.26	0.15	0.30	0.26	0.24	0.27	0.17
0.00 ^(b)	(1.53)	(0.32)	(0.67)	2.83	0.00 ^(b)	(1.50)	(0.35)	(0.67)	2.86	(0.01) ^(c)	(1.49)	(0.34)	(0.67)	2.84
0.28	(1.25)	(0.10)	(0.41)	3.00	0.29	(1.24)	(0.10)	(0.41)	3.01	0.29	(1.23)	(0.10)	(0.40)	3.01
(0.33)	(0.28)	(0.25)	(0.22)	(0.18)	(0.34)	(0.29)	(0.25)	(0.23)	(0.19)	(0.34)	(0.30)	(0.26)	(0.23)	(0.19)
—	—	—	(1.74)	—	—	—	—	(1.74)	—	—	—	—	(1.74)	—
(0.33)	(0.28)	(0.25)	(1.96)	(0.18)	(0.34)	(0.29)	(0.25)	(1.97)	(0.19)	(0.34)	(0.30)	(0.26)	(1.97)	(0.19)
\$ 10.10	\$ 10.15	\$ 11.68	\$ 12.03	\$ 14.40	\$ 10.08	\$ 10.13	\$ 11.66	\$ 12.01	\$ 14.39	\$ 10.10	\$ 10.15	\$ 11.68	\$ 12.04	\$ 14.41
2.88%	(10.81)%	(0.81)%	(1.90)%	25.93%	2.93%	(10.74)%	(0.78)%	(1.92)%	26.03%	2.96%	(10.69)%	(0.82)%	(1.81)%	26.01%
\$837,963	\$748,429	\$1,481,411	\$1,816,285	\$1,649,840	\$170,125	\$406,384	\$677,796	\$662,263	\$835,561	\$5,194,557	\$5,220,293	\$5,673,002	\$5,082,437	\$5,800,427
0.97%	0.96% ⁽¹⁾	0.96% ⁽¹⁾	0.95% ⁽¹⁾	0.97% ⁽¹⁾	0.92%	0.91% ⁽¹⁾	0.91% ⁽¹⁾	0.90% ⁽¹⁾	0.93% ⁽¹⁾	0.89%	0.88% ⁽¹⁾	0.88% ⁽¹⁾	0.87% ⁽¹⁾	0.89% ⁽¹⁾
2.64%	2.57%	1.99%	2.00%	1.29%	2.77%	2.39%	2.25%	2.03%	1.15%	2.79%	2.43%	2.12%	2.11%	1.29%
94%	98%	119%	108%	114%	94%	98%	119%	108%	114%	94%	98%	119%	108%	114%
0.01%	0.01%	0.01%	0.01%	0.01%	0.04%	0.04%	0.04%	0.04%	0.04%	0.04%	0.04%	0.04%	0.04%	0.04%
\$ 0.04	\$ 0.03	\$ 0.02	\$ 0.02	\$ 0.01	\$ 0.03	\$ 0.03	\$ 0.00 ^(d)	\$ 0.00 ^(d)	\$ 0.01	\$ 0.04	\$ 0.03	\$ 0.02	\$ 0.02	\$ 0.03

EMERGING DOMESTIC OPPORTUNITIES FUND

	Class II Shares				Class III Shares		
	Year Ended February 28,			Period from March 24, 2011 (commencement of operations) through February 29, 2012	Year Ended February 28,		Period from June 29, 2012 (commencement of operations) through February 28, 2013
	2015	2014	2013		2015	2014	
Net asset value, beginning of period	\$ 22.55	\$ 24.60	\$ 21.39	\$ 20.89	\$ 22.54	\$ 24.59	\$ 21.02
Income (loss) from investment operations:							
Net investment income (loss) ^{(a)†}	0.28	0.26	0.24	0.20	0.29	0.30	0.05
Net realized and unrealized gain (loss)	1.55	(1.22)	3.27	0.39 ^(b)	1.55	(1.24)	3.84
Total from investment operations	1.83	(0.96)	3.51	0.59	1.84	(0.94)	3.89
Less distributions to shareholders:							
From net investment income	(0.23)	(0.30)	(0.15)	(0.09)	(0.24)	(0.32)	(0.17)
From net realized gains	(0.16)	(0.79)	(0.15)	—	(0.16)	(0.79)	(0.15)
Total distributions	(0.39)	(1.09)	(0.30)	(0.09)	(0.40)	(1.11)	(0.32)
Net asset value, end of period	\$ 23.99	\$ 22.55	\$ 24.60	\$ 21.39	\$ 23.98	\$ 22.54	\$ 24.59
Total Return ^(c)	8.18%	(4.01)%	16.47%	2.86%**	8.23%	(3.95)%	18.57%**
Ratios/Supplemental Data:							
Net assets, end of period (000's)	\$738,035	\$621,278	\$352,479	\$112,056	\$336,488	\$384,757	\$104,740
Net expenses to average daily net assets ^(c)	1.07%	1.07% ^(d)	1.07% ^(d)	1.02%*	1.00%	1.00% ^(d)	1.00% ^(d)
Net investment income (loss) to average daily net assets	1.21%	1.09%	1.05%	1.05%*	1.26%	1.23%	0.31%*
Portfolio turnover rate	204%	274%	247%	459%**††	204%	274%	247%**†††
Fees and expenses reimbursed and/or waived by GMO to average daily net assets:	0.03%	0.03%	0.03%	0.42%*	0.03%	0.03%	0.04%*
Purchase premiums and redemption fees consisted of the following per share amounts:†	\$ 0.03	\$ 0.10	\$ 0.24	\$ 0.45	\$ 0.03	\$ 0.09	\$ 0.31

- (a) Net investment income is affected by the timing of the declaration of dividends by the underlying funds in which the Fund invests.
- (b) The amount shown for a share outstanding does not correspond with the aggregate net realized and unrealized gain (loss) on investments due to the timing of purchases and redemptions of Fund shares in relation to fluctuating market values of the investments of the Fund.
- (c) The total returns would have been lower had certain expenses not been reimbursed and/or waived during the periods shown, if applicable, and assumes the effect of reinvested distributions, if any. Calculation excludes purchase premiums and redemption fees which are borne by the shareholder purchasing or redeeming Fund shares, if any.
- (d) The net expense ratio does not include the effect of expense reductions.
- (e) Net expenses exclude expenses incurred indirectly through investment in the underlying funds.
- † Calculated using average shares outstanding throughout the period.
- †† Calculation represents portfolio turnover of the Fund for the year ended February 29, 2012.
- ††† Calculation represents portfolio turnover of the Fund for the year ended February 28, 2013.
- †††† Calculation represents portfolio turnover of the Fund for the year ended February 28, 2014.
- * Annualized.
- ** Not annualized.

EMERGING DOMESTIC OPPORTUNITIES FUND (CONT'D)

Class IV Shares			Class V Shares		Class VI Shares			
Year ended February 28,		Period from May 2, 2012 (commencement of operations) through February 28, 2013	Year Ended February 28, 2015	Period from November 29, 2013 (commencement of operations) February 28, 2014	Year Ended February 28,			Period from September 19, 2011 (commencement of operations) through February 29, 2012
2015	2014				2015	2014	2013	
\$ 22.56	\$ 24.60	\$ 22.00	\$ 22.54	\$ 24.52	\$ 22.61	\$ 24.65	\$ 21.41	\$ 20.34
0.30	0.31	0.14	0.31	0.01	0.31	0.36	0.34	0.10
1.56	(1.23)	2.78	1.55	(1.20)	1.57	(1.28)	3.22	1.06 ^(b)
1.86	(0.92)	2.92	1.86	(1.19)	1.88	(0.92)	3.56	1.16
(0.26)	(0.33)	(0.17)	(0.26)	(0.34)	(0.27)	(0.33)	(0.17)	(0.09)
(0.16)	(0.79)	(0.15)	(0.16)	(0.45)	(0.16)	(0.79)	(0.15)	—
(0.42)	(1.12)	(0.32)	(0.42)	(0.79)	(0.43)	(1.12)	(0.32)	(0.09)
\$ 24.00	\$ 22.56	\$ 24.60	\$ 23.98	\$ 22.54	\$ 24.06	\$ 22.61	\$ 24.65	\$ 21.41
8.29%	(3.88)%	13.34%**	8.32%	(4.95)**	8.37%	(3.84)%	16.69%	5.78%**
\$ 686,589	\$659,592	\$518,430	\$255,379	\$235,753	\$605,469	\$546,120	\$654,063	\$418,017
0.95%	0.95% ^(d)	0.95% ^{*(d)}	0.93%	0.94% ^{*(d)}	0.90%	0.90% ^(d)	0.90% ^(d)	0.87% ^{*(d)}
1.29%	1.29%	0.71%*	1.32%	0.09%*	1.34%	1.47%	1.50%	1.10%*
204%	274%	247%**†††	204%	274%**††††	204%	274%	247%	459%**
0.03%	0.03%	0.04%*	0.03%	0.06%*	0.03%	0.03%	0.03%	0.13%*
\$ 0.03	\$ 0.10	\$ 0.28	\$ 0.03	\$ 0.02	\$ 0.03	\$ 0.11	\$ 0.07	\$ 0.18

QUALITY FUND

	Class III Shares					Class IV Shares				
	Year Ended February 28/29,					Year Ended February 28/29,				
	2015	2014	2013	2012	2011	2015	2014	2013	2012	2011
Net asset value, beginning of period	\$ 25.08	\$ 23.81	\$ 23.41	\$ 20.81	\$ 18.99	\$ 25.10	\$ 23.83	\$ 23.42	\$ 20.83	\$ 19.01
Income (loss) from investment operations:										
Net investment income (loss) ^(a)	0.42	0.51	0.47	0.43	0.36	0.43	0.53	0.49	0.44	0.38
Net realized and unrealized gain (loss)	2.91	3.70	2.24	2.58	1.82	2.92	3.70	2.24	2.57	1.81
Total from investment operations	3.33	4.21	2.71	3.01	2.18	3.35	4.23	2.73	3.01	2.19
Less distributions to shareholders:										
From net investment income	(0.49)	(0.53)	(0.51)	(0.41)	(0.36)	(0.50)	(0.55)	(0.52)	(0.42)	(0.37)
From net realized gains	(4.94)	(2.41)	(1.80)	—	—	(4.94)	(2.41)	(1.80)	—	—
Total distributions	(5.43)	(2.94)	(2.31)	(0.41)	(0.36)	(5.44)	(2.96)	(2.32)	(0.42)	(0.37)
Net asset value, end of period	\$ 22.98	\$ 25.08	\$ 23.81	\$ 23.41	\$ 20.81	\$ 23.01	\$ 25.10	\$ 23.83	\$ 23.42	\$ 20.83
Total Return ^(b)	14.73%	18.38%	12.39%	14.71%	11.67%	14.81%	18.43%	12.47%	14.70%	11.71%
Ratios/Supplemental Data:										
Net assets, end of period (000's)	\$5,336,063	\$5,747,512	\$6,682,281	\$6,539,510	\$5,288,776	\$2,201,876	\$2,134,444	\$2,079,055	\$2,035,597	\$1,662,542
Net expenses to average daily net assets ^(c)	0.48%	0.48% ^(d)	0.48% ^(d)	0.48% ^(d)	0.48% ^(d)	0.44%	0.44% ^(d)	0.44% ^(d)	0.44% ^(d)	0.44% ^(d)
Net investment income (loss) to average daily net assets	1.71%	2.04%	2.02%	2.01%	1.88%	1.77%	2.07%	2.09%	2.04%	1.95%
Portfolio turnover rate	60%	48%	34%	40%	32%	60%	48%	34%	40%	32%
Fees and expenses reimbursed and/or waived by GMO to average daily net assets:	0.02%	0.01%	0.02%	0.02%	0.02%	0.02%	0.01%	0.02%	0.02%	0.02%

^(a) Net investment income is affected by the timing of the declaration of dividends by the underlying funds in which the Fund invests.

^(b) The total returns would have been lower had certain expenses not been reimbursed and/or waived during the periods shown, if applicable, and assumes the effect of reinvested distributions, if any. Calculation excludes purchase premiums and redemption fees which are borne by the shareholder purchasing or redeeming Fund shares, if any.

^(c) Net expenses exclude expenses incurred indirectly through investment in the underlying funds.

^(d) The net expense ratio does not include the effect of expense reductions.

† Calculated using average shares outstanding throughout the period.

QUALITY FUND (CONT'D)

Class V Shares					Class VI Shares				
Year Ended February 28/29,					Year Ended February 28/29,				
2015	2014	2013	2012	2011	2015	2014	2013	2012	2011
\$ 25.10	\$ 23.82	\$ 23.42	\$ 20.82	\$ 19.00	\$ 25.09	\$ 23.82	\$ 23.41	\$ 20.82	\$ 19.00
0.44	0.56	0.48	0.44	0.38	0.45	0.54	0.49	0.45	0.38
2.92	3.68	2.25	2.58	1.81	2.90	3.70	2.25	2.57	1.81
3.36	4.24	2.73	3.02	2.19	3.35	4.24	2.74	3.02	2.19
(0.51)	(0.55)	(0.53)	(0.42)	(0.37)	(0.51)	(0.56)	(0.53)	(0.43)	(0.37)
(4.94)	(2.41)	(1.80)	—	—	(4.94)	(2.41)	(1.80)	—	—
(5.45)	(2.96)	(2.33)	(0.42)	(0.37)	(5.45)	(2.97)	(2.33)	(0.43)	(0.37)
\$ 23.01	\$ 25.10	\$ 23.82	\$ 23.42	\$ 20.82	\$ 22.99	\$ 25.09	\$ 23.82	\$ 23.41	\$ 20.82
14.86%	18.49%	12.45%	14.74%	11.73%	14.83%	18.50%	12.53%	14.76%	11.77%
\$267,809	\$653,307	\$455,097	\$578,367	\$371,927	\$2,496,930	\$3,675,950	\$4,140,416	\$9,816,202	\$8,913,391
0.42%	0.42% ^(d)	0.41% ^(d)	0.42% ^(d)	0.42% ^(d)	0.39%	0.39% ^(d)	0.38% ^(d)	0.39% ^(d)	0.39% ^(d)
1.81%	2.22%	2.05%	2.08%	1.96%	1.83%	2.13%	2.10%	2.09%	1.99%
60%	48%	34%	40%	32%	60%	48%	34%	40%	32%
0.02%	0.01%	0.02%	0.02%	0.02%	0.02%	0.01%	0.02%	0.02%	0.02%

RESOURCES FUND

	Class III Shares				Class IV Shares	
	Year Ended February 28/29,				Year Ended February 28,	
	2015	2014	2013	2012 ^(a)	2015	2014 ^(b)
Net asset value, beginning of period	\$ 21.88	\$ 21.59	\$ 22.96	\$20.00	\$ 21.86	\$ 21.40
Income (loss) from investment operations:						
Net investment income (loss) ^{†(c)}	0.87	0.51	0.32	0.03	0.75	0.45
Net realized and unrealized gain (loss)	(3.77)	0.45	(1.25) ^(d)	2.93	(3.65)	0.70
Total from investment operations	(2.90)	0.96	(0.93)	2.96	(2.90)	1.15
Less distributions to shareholders:						
From net investment income	(1.03)	(0.40)	(0.20)	—	(1.06)	(0.42)
From net realized gains	(1.62)	(0.27)	(0.24)	—	(1.62)	(0.27)
Total distributions	(2.65)	(0.67)	(0.44)	—	(2.68)	(0.69)
Net asset value, end of period	\$ 16.33	\$ 21.88	\$ 21.59	\$22.96	\$ 16.28	\$ 21.86
Total Return ^(e)	(12.81)%	4.54%	(4.00)%	14.80%**	(12.82)%	5.48%**
Ratios/Supplemental Data:						
Net assets, end of period (000's)	\$23,734	\$81,646	\$104,241	\$8,101	\$119,308	\$138,358
Net expenses to average daily net assets	0.76% ^(f)	0.75% ^{(f)(g)}	0.77% ^(f)	0.75%*	0.71% ^(f)	0.70% ^{(f)(g)}
Net investment income (loss) to average daily net assets	4.01%	2.36%	1.48%	0.78%*	3.58%	2.23%*
Portfolio turnover rate	126%	40%	51%	15%**	126%	40%**
Fees and expenses reimbursed and/or waived by GMO to average daily net assets:	0.08%	0.10%	0.73%	7.69%*	0.09%	0.11%*
Purchase premiums and redemption fees consisted of the following per share amounts [†] :	\$ 0.07	\$ 0.06	\$ 0.22	\$ 0.06	\$ 0.03	\$ 0.03

^(a) Period from December 28, 2011 (commencement of operations) through February 29, 2012.

^(b) Period from March 20, 2013 (commencement of operations) through February 28, 2014.

^(c) Net investment income is affected by the timing of the declaration of dividends by the underlying funds in which the Fund invests.

^(d) The amount shown for a share outstanding does not correspond with the aggregate net realized and unrealized gain (loss) on investments due to the timing of purchases and redemptions of Fund shares in relation to fluctuating market values of the investments of the Fund.

^(e) The total returns would have been lower had certain expenses not been reimbursed and/or waived during the periods shown, if applicable, and assumes the effect of reinvested distributions, if any. Calculation excludes purchase premiums and redemption fees which are borne by the shareholder purchasing or redeeming Fund shares, if any.

^(f) Net expenses exclude expenses incurred indirectly through investment in the underlying funds.

^(g) The net expense ratio does not include the effect of expense reductions.

[†] Calculated using average shares outstanding throughout the period.

* Annualized.

** Not annualized.

FIXED INCOME FUNDS

BENCHMARK-FREE BOND FUND

	Class III Shares
	Period from November 18, 2014 (commencement of operations) through February 28, 2015
Net asset value, beginning of period	\$25.00
Income (loss) from investment operations:	
Net investment income (loss) ^{†(a)}	0.09
Net realized and unrealized gain (loss)	0.75
Total from investment operations	0.84
Less distributions to shareholders:	
From net investment income	(0.12)
Total distributions	(0.12)
Net asset value, end of period	\$25.72
Total Return ^(b)	3.38%**
Ratios/Supplemental Data:	
Net assets, end of period (000's)	\$9,230
Net operating expenses to average daily net assets ^(c)	0.76%*
Interest expenses to average daily net assets ^(d)	0.01%*
Total net expenses to average daily net assets ^(c)	0.77%*
Net investment income (loss) to average daily net assets	1.24%*
Portfolio turnover rate	8%**
Fees and expenses reimbursed and/or waived by GMO to average daily net assets: ^(e)	1.59%

^(a) Net investment income is affected by the timing of the declaration of dividends by the underlying funds in which the Fund invests.

^(b) The total returns would have been lower had certain expenses not been reimbursed and/or waived during the periods shown, if applicable, and assumes the effect of reinvested distributions, if any. Calculation excludes purchase premiums and redemption fees which are borne by the shareholder purchasing or redeeming Fund shares, if any.

^(c) Net expenses exclude expenses incurred indirectly through investment in the underlying funds.

^(d) Interest expense incurred as a result of entering into reverse repurchase agreements and/or margin on cleared swap contracts, if any, is included in the Fund's net expenses. Income earned on investing proceeds from reverse repurchase agreements, if any, is included in interest income.

^(e) Ratios include indirect fees waived or borne by the manager.

[†] Calculated using average shares outstanding throughout the period.

* Financial ratios have been annualized except for non-recurring costs.

** Not annualized.

GLOBAL BOND FUND

	Class III Shares				
	Year Ended February 28/29,				
	2015	2014	2013	2012	2011
Net asset value, beginning of period	\$ 8.61	\$ 8.37	\$ 8.11	\$ 7.91	\$ 7.58
Income (loss) from investment operations:					
Net investment income (loss) ^{(a)†}	0.08	0.08	0.11	0.11	0.12
Net realized and unrealized gain (loss)	(0.01) ^(b)	0.18	0.27	0.55	0.82
Total from investment operations	0.07	0.26	0.38	0.66	0.94
Less distributions to shareholders:					
From net investment income	(0.01)	(0.02)	(0.12)	(0.46)	(0.61)
Total distributions	(0.01)	(0.02)	(0.12)	(0.46)	(0.61)
Net asset value, end of period	\$ 8.67	\$ 8.61	\$ 8.37	\$ 8.11	\$ 7.91
Total Return ^(c)	0.81%	3.13%	4.72%	8.57%	12.84%
Ratios/Supplemental Data:					
Net assets, end of period (000's)	\$46,720	\$141,269	\$165,337	\$163,213	\$209,891
Net operating expenses to average daily net assets ^(d)	0.34%	0.38% ^(e)	0.39% ^(e)	0.39% ^(e)	0.38% ^(e)
Interest expenses to average daily net assets	0.00% ^{(f)(g)}	0.00% ^{(f)(g)}	—	—	0.01% ^(f)
Total net expenses to average daily net assets ^(d)	0.34%	0.38% ^(d)	0.39% ^(d)	0.39% ^(d)	0.39% ^(d)
Net investment income (loss) to average daily net assets	0.94%	0.99%	1.29%	1.39%	1.50%
Portfolio turnover rate	84%	24%	42%	38%	45%
Fees and expenses reimbursed and/or waived by GMO to average daily net assets: ^(h)	0.22%	0.09%	0.10%	0.09%	0.07%

^(a) Net investment income is affected by the timing of the declaration of dividends by the underlying funds in which the Fund invests.

^(b) The amount shown for a share outstanding does not correspond with the aggregate net realized and unrealized gain (loss) for the period due to the timing of purchases and redemptions of Fund shares in relation to the fluctuating market values of the Fund.

^(c) The total returns would have been lower had certain expenses not been reimbursed and/or waived during the periods shown, if applicable, and assumes the effect of reinvested distributions, if any. Calculation excludes purchase premiums and redemption fees which are borne by the shareholder purchasing or redeeming Fund shares, if any.

^(d) Net expenses exclude expenses incurred indirectly through investment in the underlying funds.

^(e) The net expense ratio does not include the effect of expense reductions.

^(f) Interest expense incurred as a result of entering into reverse repurchase agreements and/or margin on cleared swap contracts, if any, is included in the Fund's net expenses. Income earned on investing proceeds from reverse repurchase agreements, if any, is included in interest income.

^(g) Interest expense was less than 0.01% to average daily net assets.

^(h) Ratios include indirect fees waived or borne by the manager.

† Calculated using average shares outstanding throughout the period.

INTERNATIONAL BOND FUND

	Class III Shares				
	Year Ended February 28/29,				
	2015	2014	2013	2012	2011
Net asset value, beginning of period	\$ 7.27	\$ 6.84	\$ 6.79	\$ 7.11	\$ 6.59
Income (loss) from investment operations:					
Net investment income (loss) ^{(a)†}	0.07	0.06	0.08	0.10	0.10
Net realized and unrealized gain (loss)	(0.39)	0.37	0.13	0.33	0.77
Total from investment operations	(0.32)	0.43	0.21	0.43	0.87
Less distributions to shareholders:					
From net investment income	—	—	(0.16)	(0.75)	(0.35)
Total distributions	—	—	(0.16)	(0.75)	(0.35)
Net asset value, end of period	\$ 6.95	\$ 7.27	\$ 6.84	\$ 6.79	\$ 7.11
Total Return ^(b)	(4.40)%	6.29%	3.21%	6.37%	13.36%
Ratios/Supplemental Data:					
Net assets, end of period (000's)	\$43,585	\$60,809	\$70,949	\$69,945	\$108,684
Net operating expenses to average daily net assets ^(c)	0.34%	0.39% ^(d)	0.40% ^(d)	0.39% ^(d)	0.39% ^(d)
Interest expense to average daily net assets ^(e)	0.01%	0.00% ^(f)	0.00% ^(f)	0.00% ^(f)	0.00% ^(f)
Total net expenses to average daily net assets ^(c)	0.35%	0.39% ^{(d)(f)}	0.40% ^{(d)(f)}	0.39% ^{(d)(f)}	0.39% ^(d)
Net investment income (loss) to average daily net assets ^(a)	0.98%	0.90%	1.18%	1.39%	1.45%
Portfolio turnover rate	115%	18%	21%	43%	46%
Fees and expenses reimbursed and/or waived by GMO to average daily net assets: ^(g)	0.39%	0.27%	0.28%	0.24%	0.16%

^(a) Net investment income is affected by the timing of the declaration of dividends by the underlying funds in which the Fund invests.

^(b) The total returns would have been lower had certain expenses not been reimbursed and/or waived during the periods shown, if applicable, and assumes the effect of reinvested distributions, if any. Calculation excludes purchase premiums and redemption fees which are borne by the shareholder purchasing or redeeming Fund shares, if any.

^(c) Net expenses exclude expenses incurred indirectly through investment in the underlying funds.

^(d) The net expense ratio does not include the effect of expense reductions.

^(e) Interest expense incurred as a result of entering into reverse repurchase agreements and/or margin on cleared swap contracts, if any, is included in the Fund's net expenses. Income earned on investing proceeds from reverse repurchase agreements, if any, is included in interest income.

^(f) Interest expense was less than 0.01% to average daily net assets.

^(g) Ratios include indirect fees waived or borne by the manager.

† Calculated using average shares outstanding throughout the period.

CURRENCY HEDGED INTERNATIONAL BOND FUND

	Class III Shares				
	Year Ended February 28/29,				
	2015	2014	2013	2012	2011
Net asset value, beginning of period	\$ 8.90	\$ 8.76	\$ 8.35	\$ 8.18	\$ 7.98
Income (loss) from investment operations:					
Net investment income (loss) ^{(a)†}	0.11	0.12	0.14	0.13	0.12
Net realized and unrealized gain (loss)	1.38	0.14	0.64	0.71	0.47
Total from investment operations	1.49	0.26	0.78	0.84	0.59
Less distributions to shareholders:					
From net investment income	(0.49)	(0.11)	(0.37)	(0.41)	(0.39)
Return of capital	—	(0.01)	—	(0.26)	—
Total distributions	(0.49)	(0.12)	(0.37)	(0.67)	(0.39)
Net asset value, end of period	\$ 9.90	\$ 8.90	\$ 8.76	\$ 8.35	\$ 8.18
Total Return ^(b)	17.02%	3.04%	9.43%	10.48%	7.35%
Ratios/Supplemental Data:					
Net assets, end of period (000's)	\$71,891	\$71,837	\$69,527	\$72,021	\$70,799
Net operating expenses to average daily net assets ^(c)	0.36%	0.39%	0.40%	0.39% ^(d)	0.39% ^(d)
Interest expenses to average daily net assets	0.00% ^{(e)(f)}	0.00% ^{(e)(f)}	—	—	—
Total net expenses to average daily net assets ^(c)	0.36%	0.39%	0.40%	0.39% ^(d)	0.39% ^(d)
Net investment income (loss) to average daily net assets ^(a)	1.19%	1.41%	1.61%	1.58%	1.43%
Portfolio turnover rate	117%	13%	34%	52%	51%
Fees and expenses reimbursed and/or waived by GMO to average daily net assets: ^(g)	0.27%	0.24%	0.27%	0.25%	0.17%

(a) Net investment income is affected by the timing of the declaration of dividends by the underlying funds in which the Fund invests.

(b) The total returns would have been lower had certain expenses not been reimbursed and/or waived during the periods shown, if applicable, and assumes the effect of reinvested distributions, if any. Calculation excludes purchase premiums and redemption fees which are borne by the shareholder purchasing or redeeming Fund shares, if any.

(c) Net expenses exclude expenses incurred indirectly through investment in the underlying funds.

(d) The net expense ratio does not include the effect of expense reductions.

(e) Interest expense incurred as a result of entering into reverse repurchase agreements and/or margin on cleared swap contracts, if any, is included in the Fund's net expenses. Income earned on investing proceeds from reverse repurchase agreements, if any, is included in interest income.

(f) Ratio is less than 0.01%.

(g) Ratios include indirect fees waived or borne by the manager.

† Calculated using average shares outstanding throughout the period.

CORE PLUS BOND FUND

	Class III Shares					Class IV Shares				
	Year Ended February 28/29,					Year Ended February 28/29,				
	2015	2014	2013	2012	2011	2015	2014	2013	2012	2011
Net asset value, beginning of period	\$ 7.45	\$ 7.41	\$ 7.13	\$ 7.26	\$ 7.02	\$ 7.47	\$ 7.43	\$ 7.14	\$ 7.27	\$ 7.03
Income (loss) from investment operations:										
Net investment income (loss) ^{(a)†}	0.07	0.07	0.07	0.13	0.11	0.07	0.07	0.08	0.13	0.11
Net realized and unrealized gain (loss)	0.61	0.08	0.54	0.56	0.65	0.61	0.09	0.54	0.56	0.65
Total from investment operations	0.68	0.15	0.61	0.69	0.76	0.68	0.16	0.62	0.69	0.76
Less distributions to shareholders:										
From net investment income	(0.32)	(0.11)	(0.33)	(0.82)	(0.52)	(0.32)	(0.12)	(0.33)	(0.82)	(0.52)
Total distributions	(0.32)	(0.11)	(0.33)	(0.82)	(0.52)	(0.32)	(0.12)	(0.33)	(0.82)	(0.52)
Net asset value, end of period	\$ 7.81	\$ 7.45	\$ 7.41	\$ 7.13	\$ 7.26	\$ 7.83	\$ 7.47	\$ 7.43	\$ 7.14	\$ 7.27
Total Return ^(b)	9.25%	2.15%	8.67%	9.88%	10.93%	9.32%	2.15%	8.85%	9.90%	10.97%
Ratios/Supplemental Data:										
Net assets, end of period (000's)	\$51,045	\$48,632	\$48,831	\$46,924	\$47,773	\$191,054	\$191,571	\$190,527	\$188,675	\$183,333
Net operating expenses to average daily net assets ^(c)	0.37%	0.38%	0.38% ^(d)	0.39% ^(d)	0.39% ^(d)	0.32%	0.33%	0.33% ^(d)	0.34% ^(d)	0.34% ^(d)
Interest expense to average daily net assets	0.00% ^{(e)(f)}	0.00% ^{(e)(f)}	—	—	—	0.00% ^{(e)(f)}	0.00% ^{(e)(f)}	—	—	—
Total net expenses to average daily net assets ^(c)	0.37%	0.38%	0.38% ^(d)	0.39% ^(d)	0.39% ^(d)	0.32%	0.33%	0.33% ^(d)	0.34% ^(d)	0.34% ^(d)
Net investment income (loss) to average daily net assets ^(a)	0.89%	0.95%	1.02%	1.74%	1.48%	0.94%	0.99%	1.07%	1.75%	1.48%
Portfolio turnover rate	128%	87%	135%	72%	46%	128%	87%	135%	72%	46%
Fees and expenses reimbursed and/or waived by GMO to average daily net assets: ^(g)	0.15%	0.12%	0.13%	0.12%	0.11%	0.15%	0.12%	0.13%	0.12%	0.11%

(a) Net investment income is affected by the timing of the declaration of dividends by the underlying funds in which the Fund invests.

(b) The total returns would have been lower had certain expenses not been reimbursed and/or waived during the periods shown, if applicable, and assumes the effect of reinvested distributions, if any. Calculation excludes purchase premiums and redemption fees which are borne by the shareholder purchasing or redeeming Fund shares, if any.

(c) Net expenses exclude expenses incurred indirectly through investment in the underlying funds.

(d) The net expense ratio does not include the effect of expense reductions.

(e) Ratio is less than 0.01%.

(f) Interest expense incurred as a result of entering into reverse repurchase agreements and/or margin on cleared swap contracts, if any, is included in the Fund's net expenses. Income earned on investing proceeds from reverse repurchase agreements, if any, is included in interest income.

(g) Ratios include indirect fees waived or borne by the manager.

† Calculated using average shares outstanding throughout the period.

EMERGING COUNTRY DEBT FUND

	Class III Shares					Class IV Shares				
	Year Ended February 28/29,					Year Ended February 28/29,				
	2015	2014	2013	2012	2011	2015	2014	2013	2012	2011
Net asset value, beginning of period	\$ 9.77	\$ 10.34	\$ 9.59	\$ 9.10	\$ 8.47	\$ 9.76	\$ 10.33	\$ 9.58	\$ 9.09	\$ 8.47
Income (loss) from investment operations:										
Net investment income (loss) ^{(a)†}	0.59 ^(c)	0.60	0.77	0.84	1.03 ^(b)	0.60 ^(c)	0.60	0.79	0.84	1.05 ^(b)
Net realized and unrealized gain (loss)	(0.01)	(0.59)	0.82	0.58	0.81	(0.02)	(0.58)	0.81	0.59	0.78
Total from investment operations	0.58	0.01	1.59	1.42	1.84	0.58	0.02	1.60	1.43	1.83
Less distributions to shareholders:										
From net investment income	(0.86)	(0.58)	(0.84)	(0.93)	(1.21)	(0.86)	(0.59)	(0.85)	(0.94)	(1.21)
Total distributions	(0.86)	(0.58)	(0.84)	(0.93)	(1.21)	(0.86)	(0.59)	(0.85)	(0.94)	(1.21)
Net asset value, end of period	\$ 9.49	\$ 9.77	\$ 10.34	\$ 9.59	\$ 9.10	\$ 9.48	\$ 9.76	\$ 10.33	\$ 9.58	\$ 9.09
Total Return ^(d)	6.03%	0.27%	17.04%	16.62%	22.23%	6.07%	0.33%	17.14%	16.69%	22.19%
Ratios/Supplemental Data:										
Net assets, end of period (000's)	\$746,182	\$582,639	\$427,339	\$679,533	\$564,570	\$3,262,104	\$2,465,331	\$1,908,041	\$1,117,850	\$1,122,409
Net operating expenses to average daily net assets ^(e)	0.56%	0.56% ^(f)	0.60% ^(f)	0.64% ^(f)	0.59% ^(f)	0.51%	0.51% ^(f)	0.55% ^(f)	0.59% ^(f)	0.54% ^(f)
Interest expense to average daily net assets	—	—	0.02% ^(g)	0.08% ^(g)	0.08% ^(h)	—	—	0.02% ^(g)	0.08% ^(g)	0.07% ^(h)
Total net expenses to average daily net assets ^(e)	0.56%	0.56% ^(f)	0.62% ^{(f)(g)}	0.72% ^{(f)(g)}	0.67% ^{(f)(h)}	0.51%	0.51% ^(f)	0.57% ^{(f)(g)}	0.67% ^{(f)(g)}	0.61% ^{(f)(h)}
Net investment income (loss) to average daily net assets ^(a)	5.86% ⁽ⁱ⁾	5.99%	7.75%	8.90%	11.09% ⁽ⁱ⁾	5.93% ⁽ⁱ⁾	6.02%	7.84%	8.95%	11.37% ⁽ⁱ⁾
Portfolio turnover rate	18%	27%	36%	29%	21%	18%	27%	36%	29%	21%
Fees and expenses reimbursed and/or waived by GMO to average daily net assets: ^(k)	0.00% ^(l)	—	0.00% ^(l)	—	—	0.00% ^(l)	—	0.00% ^(l)	—	—
Purchase premiums and redemption fees consisted of the following per share amounts:†	\$ 0.02	\$ 0.02	\$ 0.03	\$ 0.01	\$ 0.02	\$ 0.02	\$ 0.02	\$ 0.03	\$ 0.01	\$ 0.02

- (a) Net investment income is affected by the timing of the declaration of dividends by the underlying funds in which the Fund invests.
- (b) Includes income per share of \$0.40 and \$0.41, respectively, as a result of the Fund's participation in sovereign debt exchanges during the period. Excluding this income, the Fund's net investment income per share would have been \$0.63 and \$0.64, respectively.
- (c) Includes income per share of \$0.02 and \$0.03, respectively, as a result of litigation on certain sovereign debt. Excluding this income, the Fund's net investment income per share would have been \$0.57 and \$0.57, respectively.
- (d) The total returns would have been lower had certain expenses not been reimbursed and/or waived during the periods shown, if applicable, and assumes the effect of reinvested distributions, if any. Calculation excludes purchase premiums and redemption fees which are borne by the shareholder purchasing or redeeming Fund shares, if any.
- (e) Net expenses exclude expenses incurred indirectly through investment in the underlying funds.
- (f) The net expense ratio does not include the effect of expense reductions.
- (g) Interest expense incurred as a result of entering into reverse repurchase agreements and/or margin on cleared swap contracts, if any, is included in the Fund's net expenses. Income earned on investing proceeds from reverse repurchase agreements, if any, is included in interest income.
- (h) Interest expense incurred as a result of entering into reverse repurchase agreements and/or payables owed to Lehman Brothers in connection with the termination of derivative contracts in 2008 is included in the Fund's net expenses. Income earned on investing proceeds from reverse repurchase agreements, if any, is included in interest income.
- (i) Includes income of \$0.24 and \$0.24, respectively, of average daily net assets as a result of litigation on certain sovereign debt. Excluding this income, the Fund's net investment income to average daily net assets would have been \$5.62 and \$5.69, respectively.
- (j) Includes income of 4.33% and 4.43%, respectively, of average daily net assets as a result of the Fund's participation in sovereign debt exchanges. Excluding this income, the Fund's net investment income to average daily net assets would have been 6.76% and 6.94%, respectively.
- (k) Ratios include indirect fees waived or borne by the manager.
- (l) Ratio is less than 0.01%.
- † Calculated using average shares outstanding throughout the period.

DEBT OPPORTUNITIES FUND

	Class VI Shares			
	February 28,			Period from October 3, 2011 (commencement of operations) through February 29, 2012 ^(a)
	2015 ^(a)	2014 ^{(a)(b)}	2013 ^(a)	
Net asset value, beginning of period	\$ 24.22	\$ 24.22	\$ 22.54	\$ 22.33
Income (loss) from investment operations:				
Net investment income (loss) ^{(c)†}	0.54	0.84	1.05	0.42
Net realized and unrealized gain (loss)	0.42	0.14	1.54	0.14
Total from investment operations	0.96	0.98	2.59	0.56
Less distributions to shareholders:				
From net investment income	(0.38)	(0.56)	(0.35)	(0.21)
From net realized gains	—	(0.42)	(0.56)	(0.14)
Total distributions	(0.38)	(0.98)	(0.91)	(0.35)
Net asset value, end of period	\$ 24.80	\$ 24.22	\$ 24.22	\$ 22.54
Total Return ^(d)	3.98%	4.27%	11.62%	2.43%**
Ratios/Supplemental Data:				
Net assets, end of period (000's)	\$1,790,805	\$2,111,080	\$812,020	\$204,043
Net expenses to average daily net assets ^(e)	0.31%	0.31% ^(f)	0.31% ^(f)	0.31%*
Interest expense to average daily net assets	0.00% ^{(g)(h)}	—	—	—
Total net expenses to average daily net assets ^(f)	0.31%	0.31% ^(f)	0.31% ^(f)	0.31%*
Net investment income (loss) to average daily net assets	2.18%	3.51%	4.36%	4.59%*
Portfolio turnover rate	37%	30%	39%	23% ^{(i)**}
Fees and expenses reimbursed and/or waived by GMO to average daily net assets:	0.03%	0.02%	0.04%	0.17%*
Purchase premiums and redemption fees consisted of the following per share amounts:†	\$ 0.03	\$ 0.01	\$ 0.02	\$ 0.00 ⁽ⁱ⁾

(a) Per share amounts were adjusted to reflect a 1:7 reverse stock split effective May 15, 2014.

(b) Effective February 12, 2014, GMO Debt Opportunities Fund (the "Acquired Fund") merged into GMO Short-Duration Collateral Fund (the "Acquiring Fund") and the surviving entity was renamed GMO Debt Opportunities Fund. For accounting and financial reporting purposes, the Acquired Fund is the surviving entity, meaning the combined entity adopted the historical financial reporting history of the Acquired Fund. Share and per share information have been adjusted to reflect the effects of the merger.

(c) Net investment income is affected by the timing of the declaration of dividends by the underlying funds in which the Fund invests.

(d) The total returns would have been lower had certain expenses not been reimbursed and/or waived during the periods shown, if applicable, and assumes the effect of reinvested distributions, if any. Calculation excludes purchase premiums and redemption fees which are borne by the shareholder purchasing or redeeming Fund shares, if any.

(e) Net expenses exclude expenses incurred indirectly through investment in the underlying funds.

(f) The net expense ratio does not include the effect of expense reductions.

(g) Interest expense incurred as a result of entering into reverse repurchase agreements and/or margin on cleared swap contracts, if any, is included in the Fund's net expenses. Income earned on investing proceeds from reverse repurchase agreements, if any, is included in interest income.

(h) Ratio is less than 0.01%.

(i) Calculation represents portfolio turnover for the Fund for the period from October 3, 2011 through February 29, 2012.

(j) Purchase premiums and redemption fees were less than \$0.01 per share.

† Calculated using average shares outstanding throughout the period.

* Annualized.

** Not annualized.

IMPLEMENTATION FUNDS

ALPHA ONLY FUND

	Class III Shares					Class IV Shares				
	Year Ended February 28/29,					Year Ended February 28/29,				
	2015	2014	2013	2012	2011 ^(a)	2015	2014	2013	2012	2011 ^(a)
Net asset value, beginning of period	\$ 23.98	\$ 24.22	\$ 24.13	\$ 23.49	\$ 24.55	\$ 23.99	\$ 24.24	\$ 24.14	\$ 23.50	\$ 24.55
Income (loss) from investment operations:										
Net investment income (loss) [†]	0.34	0.53 ^(b)	0.51 ^(b)	0.46 ^(b)	0.30 ^(b)	0.35	0.58 ^(b)	0.60 ^(b)	0.47 ^(b)	0.31 ^(b)
Net realized and unrealized gain (loss)	(0.96)	(0.76)	(0.35)	0.52	(1.36)	(0.95)	(0.80)	(0.42)	0.52	(1.36)
Total from investment operations	(0.62)	(0.23)	0.16	0.98	(1.06)	(0.60)	(0.22)	0.18	0.99	(1.05)
Less distributions to shareholders:										
From net investment income	(0.43)	(0.01)	(0.07)	(0.34)	—	(0.44)	(0.03)	(0.08)	(0.35)	—
Total distributions	(0.43)	(0.01)	(0.07)	(0.34)	—	(0.44)	(0.03)	(0.08)	(0.35)	—
Net asset value, end of period	\$ 22.93	\$ 23.98	\$ 24.22	\$ 24.13	\$ 23.49	\$ 22.95	\$ 23.99	\$ 24.24	\$ 24.14	\$ 23.50
Total Return ^(c)	(2.60)%	(0.94)%	0.67%	4.13%	(4.32)%	(2.51)%	(0.93)%	0.73%	4.19%	(4.28)%
Ratios/Supplemental Data:										
Net assets, end of period (000's)	\$26,695	\$35,392	\$51,886	\$37,752	\$59,746	\$3,333,388	\$3,523,518	\$3,389,131	\$2,086,001	\$1,930,347
Net expenses to average daily net assets	0.65%	0.30% ^{(d)(e)}	0.23% ^{(d)(e)}	0.24% ^{(d)(e)}	0.23% ^{(d)(e)}	0.60%	0.26% ^{(d)(e)}	0.18% ^{(d)(e)}	0.19% ^{(d)(e)}	0.18% ^{(d)(e)}
Net investment income (loss) to average daily net assets	1.44%	2.19% ^(b)	2.10% ^(b)	1.89% ^(b)	1.26% ^(b)	1.46%	2.42% ^(b)	2.47% ^(b)	1.91% ^(b)	1.27% ^(b)
Portfolio turnover rate	123%	66%	104%	125%	89%	123%	66%	104%	125%	89%
Fees and expenses reimbursed and/or waived by GMO to average daily net assets:	0.04%	0.37% ^(f)	0.44% ^(f)	0.44% ^(f)	0.46% ^(f)	0.04%	0.36% ^(f)	0.44% ^(f)	0.43% ^(f)	0.46% ^(f)

^(a) Per share amounts were adjusted to reflect a 1:5 reverse stock split effective November 15, 2010.

^(b) Net investment income is affected by the timing of the declaration of dividends by the underlying funds in which the Fund invests.

^(c) The total returns would have been lower had certain expenses not been reimbursed and/or waived during the periods shown, if applicable, and assumes the effect of reinvested distributions, if any. Calculation excludes purchase premiums and redemption fees which are borne by the shareholder purchasing or redeeming Fund shares, if any.

^(d) Net expenses exclude expenses incurred indirectly through investment in the underlying funds.

^(e) The net expense ratio does not include the effect of expense reductions.

^(f) Ratios include indirect fees waived or borne by the Fund.

[†] Calculated using average shares outstanding throughout the period.

ASSET ALLOCATION BOND FUND

	Class III Shares					Class VI Shares				
	Year Ended February 28/29,					Year Ended February 28/29,				
	2015	2014	2013	2012	2011	2015	2014	2013	2012	2011
Net asset value, beginning of period	\$ 24.57	\$ 24.43	\$ 24.60	\$ 25.01	\$ 26.13	\$ 24.60	\$ 24.46	\$ 24.61	\$ 25.01	\$ 26.13
Income (loss) from investment operations:										
Net investment income (loss) ^{†(a)}	0.38	0.00 ^(b)	(0.02)	0.32	0.51	0.22	0.03	0.01	0.56	0.64
Net realized and unrealized gain (loss)	2.48	0.17	0.12	0.78	0.64	2.68	0.16	0.11	0.57	0.54
Total from investment operations	2.86	0.17	0.10	1.10	1.15	2.90	0.19	0.12	1.13	1.18
Less distributions to shareholders:										
From net investment income ...	(0.67)	(0.03)	(0.01)	(0.51)	(0.50)	(0.70)	(0.05)	(0.01)	(0.53)	(0.53)
From net realized gains	(0.40)	—	(0.26)	(1.00)	(1.77)	(0.40)	—	(0.26)	(1.00)	(1.77)
Total distributions	(1.07)	(0.03)	(0.27)	(1.51)	(2.27)	(1.10)	(0.05)	(0.27)	(1.53)	(2.30)
Net asset value, end of period	\$ 26.36	\$ 24.57	\$ 24.43	\$ 24.60	\$ 25.01	\$ 26.40	\$ 24.60	\$ 24.46	\$ 24.61	\$ 25.01
Total Return ^(c)	11.92%	0.72%	0.42%	4.49%	4.51%	12.05%	0.79%	0.52%	4.61%	4.60%
Ratios/Supplemental Data:										
Net assets, end of period (000's)	\$421,910	\$260,775	\$91,186	\$56,692	\$48,676	\$4,652,197	\$2,849,433	\$88,029	\$116,591	\$489,202
Net operating expenses to average daily net assets ^(c) ...	0.40%	0.40% ^(d)	0.40%	0.40% ^(d)	0.41% ^(d)	0.31%	0.31% ^(d)	0.31%	0.31% ^(d)	0.31% ^(d)
Interest expenses to average daily net assets ^(f)	0.01%	0.00% ^(g)	—	0.01%	0.03%	0.01%	0.00% ^(g)	—	0.01%	0.03%
Total net expenses to average daily net assets	0.41%	0.40%	0.40%	0.41%	0.44%	0.32%	0.31%	0.31%	0.32%	0.34%
Net investment income (loss) to average daily net assets	1.49%	0.01%	(0.08)%	1.31%	1.94%	0.84%	0.13%	0.02%	2.25%	2.43%
Portfolio turnover rate	177%	32%	233%	319%	315%	177%	32%	233%	319%	315%
Fees and expenses reimbursed and/or waived by GMO to average daily net assets:	0.02%	0.02%	0.08%	0.06%	0.04%	0.02%	0.02%	0.07%	0.04%	0.04%

^(a) Net investment income is affected by the timing of the declaration of dividends by the underlying funds in which the Fund invests.

^(b) Net investment income (loss) was less than \$0.01 per share.

^(c) The total returns would have been lower had certain expenses not been reimbursed and/or waived during the periods shown, if applicable, and assumes the effect of reinvested distributions, if any. Calculation excludes purchase premiums and redemption fees which are borne by the shareholder purchasing or redeeming Fund shares, if any.

^(d) The net expense ratio does not include the effect of expense reductions.

^(e) Net expenses exclude expenses incurred indirectly through investment in the underlying funds.

^(f) Interest expense incurred as a result of entering into reverse repurchase agreements, securities sold short, and/or margin on cleared swap contracts, if any, is included in the Fund's net expenses. Income earned on investing proceeds from reverse repurchase agreements, if any, is included in interest income.

^(g) Ratio is less than 0.01%.

[†] Calculated using average shares outstanding throughout the period.

BENCHMARK-FREE FUND

	Class III Shares			
	Year Ended February 28/29,			
	2015	2014	2013	2012 ^(a)
Net asset value, beginning of period	\$ 22.09	\$ 21.33	\$ 20.76	\$ 20.00
Income (loss) from investment operations:				
Net investment income (loss) ^{(b)†}	0.61	0.59	0.52	0.41
Net realized and unrealized gain (loss)	0.61	1.45	1.34	0.83
Total from investment operations	1.22	2.04	1.86	1.24
Less distributions to shareholders:				
From net investment income	(0.79)	(0.74)	(0.68)	(0.40)
From net realized gains	(2.22)	(0.54)	(0.61)	(0.08)
Total distributions	(3.01)	(1.28)	(1.29)	(0.48)
Net asset value, end of period	\$ 20.30	\$ 22.09	\$ 21.33	\$ 20.76
Total Return ^(c)	5.76%	9.66%	9.25%	6.35%**
Ratios/Supplemental Data:				
Net assets, end of period (000's)	\$5,052,362	\$4,367,658	\$3,941,582	\$3,515,321
Net expenses to average daily net assets ^{(d)(e)}	0.00%	0.00% ^(f)	0.00% ^(f)	0.00% ^{*(f)}
Net investment income (loss) to average daily net assets ^(b)	2.90%	2.67%	2.51%	2.91%*
Portfolio turnover rate	60%	51%	31%	23%**
Fees and expenses reimbursed and/or waived by GMO to average daily net assets:	0.00% ^(g)	0.00% ^(g)	0.01%	0.02%*
Purchase premiums and redemption fees consisted of the following per share amounts: ^{†(h)}	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00

^(a) Period from June 15, 2011 (commencement of operations) through February 29, 2012.

^(b) Net investment income is affected by the timing of the declaration of dividends by the underlying funds in which the Fund invests.

^(c) The total returns would have been lower had certain expenses not been reimbursed and/or waived during the periods shown, if applicable, and assumes the effect of reinvested distributions, if any. Calculation excludes purchase premiums and redemption fees which are borne by the shareholder purchasing or redeeming Fund shares, if any.

^(d) Net expenses exclude expenses incurred indirectly through investment in the underlying funds.

^(e) Net expenses to average daily net assets were less than 0.01%.

^(f) The net expense ratio does not include the effect of expense reductions.

^(g) Fees and expenses reimbursed by GMO were less than 0.01%.

^(h) Purchase premiums and redemption fees were less than \$0.01 per share.

† Calculated using average shares outstanding throughout the period.

* Annualized.

** Not annualized.

IMPLEMENTATION FUND

	Core Shares		
	Year Ended February 28,		Period from
	2015	2014	March 1, 2012 (commencement of operations) through February 28, 2013
Net asset value, beginning of period	\$ 12.71	\$ 11.30	\$ 10.00
Income (loss) from investment operations:			
Net investment income (loss) [†]	0.25	0.32	0.24
Net realized and unrealized gain (loss)	0.63	1.09	1.06
Total from investment operations	0.88	1.41	1.30
Net asset value, end of period	\$ 13.59	\$ 12.71	\$ 11.30
Total Return ^(a)	6.92%	12.48%	13.00%
Ratios/Supplemental Data:			
Net assets, end of period (000's)	\$15,915,866	\$10,160,905	\$2,471,328
Net operating expenses to average daily net assets ^(b)	0.00%	0.00% ^(c)	0.00%
Interest and/or dividend expenses to average daily net assets ^(d)	0.07%	—	—
Total net expenses to average daily net assets	0.07%	—	—
Net investment income (loss) to average daily net assets	1.89%	2.61%	2.21%
Portfolio turnover rate	115%	65%	66%
Fees and expenses reimbursed and/or waived by GMO to average daily net assets:	0.04%	0.08%	0.23%

^(a) The total returns would have been lower had certain expenses not been reimbursed and/or waived during the periods shown, if applicable, and assumes the effect of reinvested distributions, if any. Calculation excludes purchase premiums and redemption fees which are borne by the shareholder purchasing or redeeming Fund shares, if any.

^(b) Ratio is less than 0.01%.

^(c) The net expense ratio does not include the effect of expense reductions.

^(d) Interest and dividend expense incurred as a result of entering into reverse repurchase agreements, securities sold short and/or margin on cleared swap contracts, if any, is included in the Fund's net expenses.

† Calculated using average shares outstanding throughout the period.

RISK PREMIUM FUND

	Class III Shares		
	Year Ended February 28,		
	2015	2014	2013 ^(b)
Net asset value, beginning of period	\$10.58	\$10.53	\$10.27
Income (loss) from investment operations:			
Net investment income (loss) ^{(a)†}	(0.06)	(0.06)	(0.01)
Net realized and unrealized gain (loss)	0.34	0.71	0.27
Total from investment operations	0.28	0.65	0.26
Less distributions to shareholders:			
From net realized gains	(0.95)	(0.60)	—
Total distributions	(0.95)	(0.60)	—
Net asset value, end of period	\$ 9.91	\$10.58	\$10.53
Total Return ^(c)	3.19%	6.42%	2.53%**
Ratios/Supplemental Data:			
Net assets, end of period (000's)	\$4,832	\$7,489	\$6,793
Net expenses to average daily net assets ^(f)	0.61%	0.60% ^(g)	0.60% ^{(g)*}
Net investment income (loss) to average daily net assets	(0.58)%	(0.57)%	(0.56)%*
Portfolio turnover rate	112%	0%	0%**
Fees and expenses reimbursed and/or waived by GMO to average daily net assets:	0.04%	0.05%	0.08%*
Purchase premiums and redemption fees consisted of the following per share amounts:†	\$ 0.05	\$ 0.00 ^(h)	\$ 0.01

(a) Net investment income is affected by the timing of the declaration of dividends by the underlying funds in which the Fund invests.

(b) Period from December 14, 2012 (commencement of operations) through February 28, 2013.

(c) Period from December 17, 2012 (commencement of operations) through February 28, 2013.

(d) Period from November 15, 2012 (commencement of operations) through February 28, 2013.

(e) The total returns would have been lower had certain expenses not been reimbursed and/or waived during the periods shown, if applicable, and assumes the effect of reinvested distributions, if any. Calculation excludes purchase premiums and redemption fees which are borne by the shareholder purchasing or redeeming Fund shares, if any.

(f) Net expenses exclude expenses incurred indirectly through investment in the underlying funds.

(g) The net expense ratio does not include the effect of expense reductions.

(h) Purchase premiums and redemption fees were less than \$0.01 per share.

† Calculated using average shares outstanding throughout the period.

* Annualized.

** Not annualized.

SPECIAL OPPORTUNITIES FUND (CONSOLIDATED)

	Class VI Shares
	Period from
	July 28, 2014 (commencement of operations) through February 28, 2015
Net asset value, beginning of period	\$ 20.00
Income (loss) from investment operations:	
Net investment income (loss)†	(0.03)
Net realized and unrealized gain (loss)	(0.15) ^(a)
Total from investment operations	(0.18)
Less distributions to shareholders:	
From net investment income	(0.01)
Total distributions	(0.01)
Net asset value, end of period	\$ 19.81
Total Return ^(b)	(0.89)%**
Ratios/Supplemental Data:	
Net assets, end of period (000's)	\$843,864
Net expenses to average daily net assets	1.36%*
Net investment income (loss) to average daily net assets ^(a)	(0.25)%*
Portfolio turnover rate	64%**
Fees and expenses reimbursed and/or waived by GMO to average daily net assets:	0.02%*
Purchase premiums and redemption fees consisted of the following per share amounts:†	\$ 0.13

(a) The amount shown for a share outstanding does not correspond with the aggregate net realized and unrealized gain (loss) for the period due to the timing of purchases and redemptions of Fund shares in relation to fluctuating market values of the investments of the Fund.

(b) The total returns would have been lower had certain expenses not been reimbursed and/or waived during the periods shown, if applicable, and assumes the effect of reinvested distributions, if any. Calculation excludes purchase premiums and redemption fees which are borne by the shareholder purchasing or redeeming Fund shares, if any.

† Calculated using average shares outstanding throughout the period.

* Annualized.

** Not annualized.

RISK PREMIUM FUND (CONT'D)

Class IV Shares			Class VI Shares		
Year Ended February 28,			Year Ended February 28,		
<u>2015</u>	<u>2014</u>	<u>2013^(c)</u>	<u>2015</u>	<u>2014</u>	<u>2013^(d)</u>
\$10.60	\$ 10.54	\$10.30	\$ 10.60	\$ 10.53	\$ 10.00
(0.06)	(0.06)	(0.01)	(0.05)	(0.05)	(0.01)
0.35	0.72	0.25	0.34	0.72	0.54
0.29	0.66	0.24	0.29	0.67	0.53
(0.95)	(0.60)	—	(0.95)	(0.60)	—
(0.95)	(0.60)	—	(0.95)	(0.60)	—
\$ 9.94	\$ 10.60	\$10.54	\$ 9.94	\$ 10.60	\$ 10.53
3.29%	6.51%	2.33%**	3.29%	6.61%	5.30%**
\$7,094	\$28,964	\$8,244	\$432,465	\$730,196	\$616,464
0.55%	0.55% ^(g)	0.55% ^{(g)*}	0.51%	0.51% ^(g)	0.51% ^{(g)*}
(0.53)%	(0.52)%	(0.51)%*	(0.49)%	(0.48)%	(0.46)%*
112%	0%	0%**	112%	0%	0%**
0.03%	0.05%	0.07%*	0.03%	0.05%	0.10%*
\$ 0.02	\$ 0.00 ^(h)	\$ 0.00 ^(h)	\$ 0.04	\$ 0.00 ^(h)	\$ 0.02

STRATEGIC OPPORTUNITIES ALLOCATION FUND

	Class III Shares				
	Year Ended February 28/29,				
	2015	2014	2013	2012	2011
Net asset value, beginning of period	\$ 23.43	\$ 21.47	\$ 21.26	\$ 20.78	\$ 18.54
Income (loss) from investment operations:					
Net investment income (loss) ^{(a)†}	0.76	0.68	0.65	0.48	0.33
Net realized and unrealized gain (loss)	0.44	2.96	1.57	0.51	2.26
Total from investment operations	1.20	3.64	2.22	0.99	2.59
Less distributions to shareholders:					
From net investment income	(0.87)	(0.78)	(0.75)	(0.51)	(0.35)
From net realized gains	(1.87)	(0.90)	(1.26)	—	—
Total distributions	(2.74)	(1.68)	(2.01)	(0.51)	(0.35)
Net asset value, end of period	\$ 21.89	\$ 23.43	\$ 21.47	\$ 21.26	\$ 20.78
Total Return ^(b)	5.36%	17.24%	10.81%	4.93%	14.02%
Ratios/Supplemental Data:					
Net assets, end of period (000's)	\$2,449,194	\$2,455,863	\$2,168,928	\$2,022,555	\$1,752,168
Net expenses to average daily net assets ^{(c)(d)}	0.00%	0.00% ^(e)	0.00% ^(e)	0.00% ^(e)	0.00% ^(e)
Net investment income (loss) to average daily net assets ^(a)	3.31%	2.99%	3.01%	2.33%	1.73%
Portfolio turnover rate	30%	53%	34%	35%	36%
Fees and expenses reimbursed and/or waived by GMO to average daily net assets:	0.01%	0.01%	0.01%	0.01%	0.01%
Purchase premiums and redemption fees consisted of the following per share amounts:†	\$ 0.00 ^(f)	\$ 0.00 ^(f)	\$ 0.00 ^(f)	—	—

(a) Net investment income is affected by the timing of the declaration of dividends by the underlying funds in which the Fund invests.

(b) The total returns would have been lower had certain expenses not been reimbursed and/or waived during the periods shown, if applicable, and assumes the effect of reinvested distributions, if any. Calculation excludes purchase premiums and redemption fees which are borne by the shareholder purchasing or redeeming Fund shares, if any.

(c) Net expenses exclude expenses incurred indirectly through investment in the underlying funds.

(d) Net expenses to average daily net assets were less than 0.01%.

(e) The net expense ratio does not include the effect of expense reductions.

(f) Purchase premiums and redemption fees were less than \$0.01 per share.

† Calculated using average shares outstanding throughout the period.

TAIWAN FUND

	Class III Shares				
	Year Ended February 28/29,				
	2015	2014	2013	2012	2011
Net asset value, beginning of period	\$ 21.30	\$ 20.43	\$ 21.60	\$ 23.85	\$ 17.75
Income (loss) from investment operations:					
Net investment income (loss) ^{(a)†}	0.46	0.17	0.34	0.73	0.16
Net realized and unrealized gain (loss)	1.38	0.90	(0.87) ^(b)	(1.04)	6.30
Total from investment operations	1.84	1.07	(0.53)	(0.31)	6.46
Less distributions to shareholders:					
From net investment income	(0.51)	(0.20)	(0.23)	(1.09)	(0.36)
From net realized gains	(0.11)	—	(0.41)	(0.85)	—
Total distributions	(0.62)	(0.20)	(0.64)	(1.94)	(0.36)
Net asset value, end of period	\$ 22.52	\$ 21.30	\$ 20.43	\$ 21.60	\$ 23.85
Total Return ^(c)	8.75%	5.26%	(2.25)%	0.15%	36.71%
Ratios/Supplemental Data:					
Net assets, end of period (000's)	\$117,745	\$151,393	\$56,283	\$74,971	\$146,857
Net expenses to average daily net assets	1.27% ^(d)	1.35% ^{(d)(e)}	1.38% ^{(d)(e)}	1.36% ^(d)	1.33%
Net investment income (loss) to average daily net assets	2.01%	0.82%	1.71%	3.16%	0.78%
Portfolio turnover rate	134%	201%	156%	105%	129%
Fees and expenses reimbursed and/or waived by GMO to average daily net assets:	—	—	0.00% ^(f)	—	—
Purchase premiums and redemption fees consisted of the following per share amounts:†	\$ 0.06	\$ 0.03	\$ 0.04	\$ 0.08	\$ 0.09

(a) Net investment income is affected by the timing of the declaration of dividends by the underlying funds in which the Fund invests.

(b) The amount shown for a share outstanding does not correspond with the aggregate net realized and unrealized gain (loss) on investments due to the timing of purchases and redemptions of Fund shares in relation to fluctuating market values of the investments of the Fund.

(c) Calculation excludes purchase premiums and redemption fees which are borne by the shareholder purchasing or redeeming Fund shares, if any.

(d) Net expenses exclude expenses incurred indirectly through investment in the underlying funds.

(e) The net expense ratio does not include the effect of expense reductions.

(f) Ratio is less than 0.01%.

† Calculated using average shares outstanding throughout the period.

U.S. TREASURY FUND

	Core Shares				
	Year Ended February 28/29,				
	2015	2014	2013	2012	2011
Net asset value, beginning of period	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00
Income (loss) from investment operations:					
Net investment income (loss)†	0.01	0.02	0.03	0.01	0.03
Net realized and unrealized gain (loss)	0.00 ^(a)	0.01	(0.00) ^(a)	0.01	0.00 ^(a)
Total from investment operations	0.01	0.03	0.03	0.02	0.03
Less distributions to shareholders:					
From net investment income	(0.01)	(0.02)	(0.03)	(0.01)	(0.03)
From net realized gains	(0.00) ^(b)	(0.01)	—	(0.01)	(0.00) ^(b)
Total distributions	(0.01)	(0.03)	(0.03)	(0.02)	(0.03)
Net asset value, end of period	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00
Total Return ^(c)	0.06%	0.11%	0.11%	0.07%	0.15%
Ratios/Supplemental Data:					
Net assets, end of period (000's)	\$2,243,931	\$1,909,864	\$2,912,203	\$2,056,342	\$1,814,553
Net expenses to average daily net assets	0.00% ^(e)	0.00% ^{(d)(e)}	0.00% ^{(d)(e)}	0.00% ^{(d)(e)}	0.00%
Net investment income (loss) to average daily net assets	0.05%	0.08%	0.10%	0.04%	0.13%
Portfolio turnover rate ^(f)	0%	0%	0%	0%	0%
Fees and expenses reimbursed and/or waived by GMO to average daily net assets:	0.10%	0.10%	0.10%	0.10%	0.11%

^(a) Net realized and unrealized gain (loss) was less than \$0.01 per share.

^(b) Distributions from net realized gains were less than \$0.01 per share.

^(c) The total returns would have been lower had certain expenses not been reimbursed and/or waived during the periods shown and assume the effect of reinvested distribution.

^(d) The net expense ratio does not include the effect of expense reductions.

^(e) Ratio is less than 0.01%.

^(f) Portfolio turnover rate calculation excludes short-term investments.

† Calculated using average shares outstanding throughout the period.

INVESTMENT IN OTHER GMO FUNDS

GMO GAAR Implementation Fund. GMO GAAR Implementation Fund (“GIF”), a series of the Trust, is not offered by this Prospectus. GIF is managed by GMO.

GIF does not pay an investment management fee or shareholder service fee to GMO. GIF offers a single class of shares.

GIF’s investment objective is positive total return, not “relative return.”

GMO will pursue investment strategies for GIF that are intended to complement the strategies it is pursuing in GMO Benchmark-Free Fund. Accordingly, GIF is not a standalone investment. GMO will use its multi-year forecasts of returns among asset classes, together with its assessment of the relative risks of such asset classes, to determine GIF’s strategic direction. An important component of those forecasts is the expectation that valuations ultimately revert to their historical mean (average). The factors considered and investment methods used by GMO can change over time.

GMO will not manage GIF to, or control GIF’s risk relative to, any securities index or securities benchmark. Depending on GMO’s outlook, GIF may have exposure to any asset class (e.g., non-U.S. equity, U.S. equity, emerging country equity, emerging country debt, non-U.S. fixed income, U.S. fixed income, real estate, and commodities) and at times may be substantially invested in a single asset class. GIF may invest in companies of any market capitalization. In addition, GIF is not limited in how much it may invest in any market, and it may invest all of its assets in the securities of a limited number of companies in a single country and/or capitalization range. GIF may invest a significant portion of its assets in the securities of issuers in industries that are subject to the same or similar risk factors. To the extent GIF invests in fixed income securities, it may have significant exposure to fixed income instruments of any credit quality, including those that are below investment grade (commonly referred to as “junk bonds”) and having any maturity or duration. GIF also may have exposure to short sales. GMO’s ability to shift investments among asset classes is not subject to any limits.

GIF may engage in transactions in which it purchases securities at prices below the value of the consideration GMO expects to be paid for them upon consummation of a proposed merger, exchange offer, tender offer, or other similar transaction (“merger arbitrage transactions”). The purchase price may substantially exceed the market price of the securities before the announcement of the transaction.

In conjunction with merger arbitrage transactions, the Fund may invest in derivatives or sell securities short in an effort to protect against market fluctuations or other risks or to adjust long or short investment exposure to one or more asset classes or issuers.

As an alternative for investing directly in securities, GIF may invest in exchange-traded and over-the-counter (OTC) derivatives (e.g., selling put options on securities) and exchange-traded funds (ETFs). GIF also may invest in derivatives and ETFs: (i) in an attempt to reduce investment exposures (which may result in a reduction below zero); (ii) in an attempt to adjust elements of GIF’s investment exposure; and (iii) as a substitute for securities lending. Derivatives used may include options, futures, warrants, swap contracts, and reverse repurchase agreements. GIF’s foreign currency exposure may differ from the currency exposure of its securities. In addition, GIF may lend its portfolio securities.

GIF will not be limited in its use of derivatives or in the total notional value of its derivative positions. As a result of its derivative positions, GIF may have gross investment exposures in excess of its net assets (i.e., GIF may be leveraged) and therefore will be subject to heightened risk of loss. GIF’s performance can depend substantially, if not primarily, on the performance of assets or indices underlying its derivatives even though it does not own those assets or indices.

GIF may gain exposure to commodities and some other assets by investing through a wholly-owned subsidiary. GMO will serve as the investment manager to this subsidiary but will not receive any additional management or other fees for its services. GMO expects that the subsidiary will invest primarily in commodity-related derivatives and fixed income securities, but also may invest in any other investments in which GIF may invest directly. References in GIF’s Private Placement Memorandum to GIF may refer to actions undertaken by GIF or GIF’s subsidiary company. GIF does not invest directly in commodities and commodity-related derivatives.

GIF also may invest in GMO U.S. Treasury Fund and in money market funds unaffiliated with GMO.

If deemed prudent by GMO, GIF may take temporary defensive positions.

Because of its investment in GIF, Benchmark-Free Fund is subject to all of the risks to which GIF is exposed. The principal risks of an investment in GIF include Market Risk — Equities, Market Risk — Fixed Income Investments, Non-U.S. Investment Risk, Management and Operational Risk, Derivatives and Short Sales Risk, Smaller Company Risk, Illiquidity Risk, Currency Risk, Credit Risk, Market Risk — Asset-Backed Securities, Counterparty Risk, Leveraging Risk, Market Disruption and Geopolitical Risk, Merger Arbitrage Risk, Commodities Risk, Focused Investment Risk, Large Shareholder Risk and Fund of Funds Risk. GIF is a *non-diversified investment company* under the Investment Company Act of 1940, as amended, and therefore a decline in the market price of a particular security held by GIF may affect GIF’s performance more than if GIF were a diversified investment company. To the extent the Fund invests in GIF, shareholders of the Fund are indirectly exposed to these risks.

GMO High Quality Short-Duration Bond Fund. GMO High Quality Short-Duration Bond Fund (“High Quality Fund”), a series of the Trust, is not offered by this Prospectus and its shares are available only to other GMO Funds and other accredited investors. High Quality Fund is managed by GMO.

High Quality Fund pays an investment management fee to GMO at the annual rate of 0.05% of High Quality Fund's average daily net assets for each class of shares. High Quality Fund offers Class III and Class VI shares, which pay shareholder service fees to GMO at the annual rate, respectively, of 0.15% and 0.055% of the class's average daily net assets.

High Quality Fund's investment objective is total return in excess of that of its benchmark, the J.P. Morgan U.S. 3 Month Cash Index, which is an independently maintained and widely published index comprised of three month U.S. dollar Euro-deposits.

High Quality Fund seeks to add value relative to its benchmark to the extent consistent with the preservation of capital and liquidity.

High Quality Fund will invest primarily in high quality U.S. and non-U.S. fixed income securities. High Quality Fund may invest in fixed income securities of any type, including asset-backed securities, corporate debt securities, money market instruments, and commercial paper, and enter into credit default swaps, reverse repurchase agreements, and repurchase agreements. High Quality Fund also may invest in other exchange-traded and over-the-counter (OTC) derivatives. High Quality Fund is not limited in its use of derivatives or in the total notional value of its derivative positions. As a result of its derivative positions, High Quality Fund typically will have gross investment exposures in excess of its net assets (i.e., High Quality Fund typically will be leveraged) and therefore is subject to heightened risk of loss. High Quality Fund's performance can depend substantially, if not primarily, on the performance of assets or indices underlying its derivatives even though it does not own those assets or indices.

High Quality Fund's fixed income securities may include all types of interest rate, payment, and reset terms, including fixed rate, adjustable rate, zero coupon, contingent, deferred, payment-in-kind, and auction rate features. While High Quality Fund primarily invests in high quality bonds, it may invest in securities that are not high quality and may hold bonds and other fixed income securities whose ratings after they were acquired were reduced below high quality.

High Quality Fund also may invest in U.S. Treasury Fund and in money market funds unaffiliated with GMO.

In selecting fixed income securities for High Quality Fund's portfolio, GMO focuses primarily on the securities' credit quality. GMO uses fundamental investment techniques to identify the credit risk associated with investments in fixed income securities and bases its investment decisions on that assessment. The factors considered and investment methods used by GMO can change over time.

GMO will normally seek to maintain an estimated interest rate duration of 365 days or less for High Quality Fund's portfolio (which may be substantially shorter than High Quality Fund's dollar-weighted average portfolio maturity). GMO estimates High Quality Fund's dollar-weighted average interest rate duration by aggregating the durations of High Quality Fund's direct and indirect individual holdings and weighting each holding based on its market value.

Under normal circumstances, High Quality Fund invests directly and indirectly (e.g., through other GMO Funds or derivatives) at least 80% of its assets in high quality bonds.

If deemed prudent by GMO, High Quality Fund may take temporary defensive positions.

A GMO Fund that invests in High Quality Fund is subject to all of the risks to which High Quality Fund is exposed. The principal risks of an investment in High Quality Fund include Credit Risk, Market Risk — Asset-Backed Securities, Illiquidity Risk, Market Risk — Fixed Income Investments, Focused Investment Risk, Management and Operational Risk, Derivatives and Short Sales Risk, Leveraging Risk, Counterparty Risk, Fund of Funds Risk, Market Disruption and Geopolitical Risk, Large Shareholder Risk, and Non-U.S. Investment Risk. High Quality Fund is a *non-diversified investment company* under the Investment Company Act of 1940, as amended, and therefore a decline in the market price of a particular security held by High Quality Fund may affect High Quality Fund's performance more than if High Quality Fund were a diversified investment company. Shareholders of each GMO Fund investing in High Quality Fund are indirectly exposed to these risks.

GMO Systematic Global Macro Opportunity Fund. GMO Systematic Global Macro Opportunity Fund ("Systematic Global Macro Fund"), a series of the Trust, is not offered by this Prospectus and its shares are available only to other GMO Funds and other accredited investors. Systematic Global Macro Fund is managed by GMO.

Systematic Global Macro Fund pays an investment management fee to GMO at the annual rate of 0.70% of Systematic Global Macro Fund's average daily net assets. Systematic Global Macro Fund offers Class III shares, which pay shareholder service fees to GMO at the annual rate of 0.15% of Systematic Global Macro Fund's average daily net assets. GMO (and not Systematic Global Macro Fund) will pay a sub-advisory fee to GMO Singapore for services provided to Systematic Global Macro Fund pursuant to a sub-advisory agreement at a rate equal to 5% of the management fees received by GMO under Systematic Global Macro Fund's investment management contract, net of any fee waiver or expense reimbursement obligations of GMO as may be in effect.

Systematic Global Macro Fund's investment objective is long-term total return.

Systematic Global Macro Fund invests in a range of global equity, bond, currency, and commodity markets using exchange-traded futures and forward non-U.S. exchange contracts, as well as making other investments. Systematic Global Macro Fund seeks to take advantage of GMO's proprietary investment models for global tactical asset allocation and equity, bond, currency, and commodity market selection.

Systematic Global Macro Fund normally invests assets not held as margin for futures or forward transactions or paid as option premiums in cash directly (i.e., Treasury Bills) or money market funds. Systematic Global Macro Fund also may invest in U.S. and non-U.S. fixed income securities and in shares of other GMO Funds, including Debt Opportunities Fund and U.S. Treasury Fund.

GMO's models for this systematic process are based on the following strategies:

Value-Based Strategies. Value factors compare the price of an asset class or market to an economic fundamental value. Generally, value strategies include yield analysis and mean reversion analysis.

Sentiment-Based Strategies. Generally, sentiment-based strategies assess factors such as risk aversion, analyst behavior, and momentum.

GMO may eliminate strategies or add new strategies in response to additional research, changing market conditions, or other factors. The factors considered and investment methods used by GMO can change over time.

Systematic Global Macro Fund may gain exposure to commodities and some other assets by investing through a wholly-owned subsidiary. GMO serves as the investment manager to this subsidiary but does not receive any additional management or other fees for its services. The subsidiary invests primarily in commodity-related derivatives and fixed income securities, but also may invest in any other investments in which Systematic Global Macro Fund may invest directly. References to Systematic Global Macro Fund in this summary of Systematic Global Macro Fund's investment strategy may refer to actions undertaken by Systematic Global Macro Fund or the subsidiary company. Systematic Global Macro Fund does not invest directly in commodities and commodity-related derivatives.

Systematic Global Macro Fund's benchmark is the Citigroup 3-Month Treasury Bill Index, which is an independently maintained and widely published index comprised of short-term U.S. Treasury bills. Systematic Global Macro Fund does not maintain a specified interest rate duration for its portfolio.

Systematic Global Macro Fund is not limited in its use of derivatives or in the total notional value of its derivative positions. As a result of its derivative positions, Systematic Global Macro Fund typically has gross investment exposures in excess of its net assets (i.e., Systematic Global Macro Fund typically is leveraged) and therefore is subject to heightened risk of loss. Systematic Global Macro Fund's performance can depend substantially, if not primarily, on the performance of assets or indices underlying its derivatives even though it does not own those assets or indices.

If deemed prudent by GMO, Systematic Global Macro Fund may take temporary defensive positions.

A GMO Fund that invests in Systematic Global Macro Fund is subject to all of the risks to which Systematic Global Macro Fund is exposed. The principal risks of an investment in Systematic Global Macro Fund include Management and Operational Risk, Market Risk — Equities, Currency Risk, Commodities Risk, Market Risk — Fixed Income Investments, Non-U.S. Investment Risk, Market Disruption and Geopolitical Risk, Derivatives and Short Sales Risk, Leveraging Risk, Focused Investment Risk; Counterparty Risk; Market Risk — Asset-Backed Securities, Credit Risk, Illiquidity Risk, Fund of Funds Risk, and Large Shareholder Risk. Systematic Global Macro Fund and some of its underlying funds are *non-diversified investment companies* under the Investment Company Act of 1940, as amended, and therefore a decline in the market price of a particular security held by Systematic Global Macro Fund or those underlying funds may affect Systematic Global Macro Fund's or an underlying fund's performance more than if Systematic Global Macro Fund or the underlying fund were a diversified investment company. Shareholders of each GMO Fund investing in Systematic Global Macro Fund are indirectly exposed to these risks.

GMO World Opportunity Overlay Fund. GMO World Opportunity Overlay Fund ("Overlay Fund"), a series of the Trust, is not offered by this Prospectus and its shares are available only to other GMO Funds and other accredited investors. Overlay Fund is managed by GMO.

Overlay Fund does not pay an investment management or shareholder service fee to GMO. Overlay Fund offers a single class of shares.

Overlay Fund's investment objective is total return greater than that of its benchmark, the J.P. Morgan U.S. 3 Month Cash Index, which is an independently maintained and widely published index comprised of three month U.S. dollar Euro-deposits.

GMO seeks to achieve Overlay Fund's investment objective by attempting to identify and estimate relative misvaluation of global interest rate, credit, and currency markets. Based on those estimates, GMO establishes Overlay Fund's positions across those markets. Those positions may include direct investments and derivatives. Overlay Fund's direct investments in fixed income securities include U.S. and non-U.S. asset-backed securities and other fixed income securities (including Treasury Separately Traded Registered Interest and Principal Securities (STRIPS), Inflation-Protected Securities issued by the U.S. Treasury (TIPS), Treasury Securities and global bonds). The factors considered and investment methods used by GMO can change over time.

Derivatives used by Overlay Fund are primarily interest rate swaps and futures contracts, currency forwards and options, and credit default swaps on single issuers or indices. As a result of its derivative positions, Overlay Fund typically will have higher volatility than its benchmark. Overlay Fund is not limited in its use of derivatives or in the total notional value of its derivative positions. As a result of its derivative positions, Overlay Fund typically has gross investment exposures in excess of its net assets (i.e., Overlay Fund typically is leveraged) and therefore is subject to heightened risk of loss. Overlay Fund's performance can depend substantially, if not primarily, on the performance of assets or indices underlying its derivatives even though it does not own those assets or indices.

Overlay Fund typically holds asset-backed securities. Overlay Fund also may invest in government securities, corporate debt securities, money market instruments and commercial paper, and enter into credit default swaps, reverse repurchase agreements, and repurchase agreements. Overlay Fund's fixed income securities may include all types of interest rate, payment and reset terms, including fixed rate, zero coupon, contingent, deferred, payment-in-kind and auction rate features.

Because of the deterioration in credit markets that became acute in 2008, Overlay Fund has and is expected to continue to have material exposure to below investment grade securities (commonly referred to as "junk bonds").

If deemed prudent by GMO, Overlay Fund may take temporary defensive positions.

A GMO Fund that invests in Overlay Fund is subject to all of the risks to which Overlay Fund is exposed. The principal risks of an investment in Overlay Fund include Market Risk — Fixed Income Investments, Currency Risk, Credit Risk, Market Risk — Asset-Backed Securities, Illiquidity Risk, Derivatives and Short Sales Risk, Leveraging Risk, Counterparty Risk, Focused Investment Risk, Non-U.S. Investment Risk, Management and Operational Risk, Market Disruption and Geopolitical Risk, and Large Shareholder Risk. Overlay Fund is a *non-diversified investment company* under the Investment Company Act of 1940, as amended, and therefore a decline in the market price of a particular security held by Overlay Fund may affect Overlay Fund's performance more than if Overlay Fund were a diversified investment company. Shareholders of each GMO Fund investing in Overlay Fund are indirectly exposed to these risks.

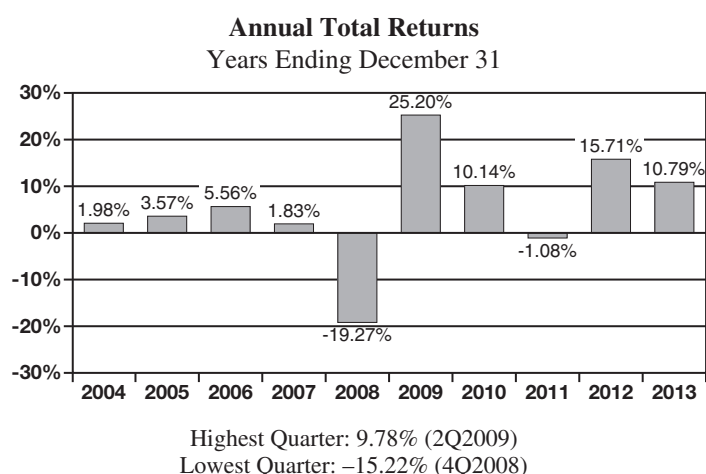
SUPPLEMENTAL PERFORMANCE INFORMATION — ILLUSTRATION OF VOLATILITY OF INVESTMENTS IN ASSET-BACKED SECURITIES

Effective February 12, 2014 (the “Merger Date”), GMO Debt Opportunities Fund merged into GMO Short-Duration Collateral Fund (“Short-Duration Collateral Fund”), and the surviving entity was renamed “GMO Debt Opportunities Fund” (“Debt Opportunities Fund”).

THE PERFORMANCE INFORMATION PRESENTED BELOW IS THAT OF SHORT-DURATION COLLATERAL FUND FOR THE TEN FULL CALENDAR YEARS PRECEDING THE MERGER DATE. IT IS NOT THE PERFORMANCE OF DEBT OPPORTUNITIES FUND OR ANY OTHER FUND OFFERED IN THIS PROSPECTUS. PAST PERFORMANCE IS NOT AN INDICATION OF FUTURE PERFORMANCE.

This performance information is provided to illustrate the historical volatility of asset-backed securities, which represented the primary component of Short-Duration Collateral Fund’s portfolio and which also represents a material portion of Debt Opportunities Fund’s portfolio.

The bar chart below shows changes in Short-Duration Collateral Fund’s annual total returns from year to year for the periods indicated. Performance information reflects Short-Duration Collateral Fund’s annual operating expenses (which were approximately 0.00% in most periods), which were substantially lower than those of Debt Opportunities Fund. Purchase premiums and redemption fees are not reflected in the bar chart.



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FUND CODES

The following chart identifies the ticker, news-media symbol, and CUSIP number for each share class of each Fund currently being offered (if any).

Fund Name (and page # in Prospectus)	Share Class	Ticker	Symbol	CUSIP
Multi-Asset Class Funds				
Benchmark-Free Allocation Fund (p. 1)	Class III	GBMFX	N/A	362008 31 0
	Class IV	GBMBX	N/A	362014 60 7
	Class MF	—	—	362014 80 5
Global Asset Allocation Fund (p. 6)	Class III	GMWAX	N/A	362007 17 1
Equity Funds				
Global Equity Allocation Fund (p. 10)	Class III	GMGEX	N/A	362007 14 8
Global Developed Equity Allocation Fund (p. 14)	Class III	GWOAX	N/A	362008 15 3
Developed World Stock Fund (p. 18)	Class III	GDWTX	DevWldStk	362013 20 3
	Class IV	GDWFX	DevWldStk	362013 30 2
Global Focused Equity Fund (p. 22)	Class III	GGFEX	N/A	362013 14 6
	Class IV	—	—	362013 13 8
International Equity Allocation Fund (p. 25)	Class III	GIEAX	N/A	362007 21 3
International Developed Equity Allocation Fund (p. 29)	Class III	GIOTX	N/A	362013 45 0
Tax-Managed International Equities Fund (p. 33)	Class III	GT MIX	TxMngIntEq	362008 66 6
International Equity Fund (p. 37)	Class II	GMICX	IntlIntrVal	362007 20 5
	Class III	GMOIX	IntlIntrVal	362007 30 4
	Class IV	GMCFX	IntlIntrVal	362008 83 1
International Large/Mid Cap Equity Fund (p. 41)	Class III	GMIEX	IntlCoreEq	362013 69 0
	Class IV	GMIRX	IntlCoreEq	362013 68 2
	Class VI	GCEFX	IntlCoreEq	362013 66 6
Foreign Fund (p. 45)	Class II	GMFRX	Foreign	362007 56 9
	Class III	GMOFX	Foreign	362007 55 1
	Class IV	GMFFX	Foreign	362008 82 3
Foreign Small Companies Fund (p. 49)	Class III	GMFSX	ForSmCos	362008 61 7
	Class IV	GFSFX	ForSmCos	362008 34 4
International Small Companies Fund (p. 53)	Class III	GMISX	IntSmCos	362007 52 8
U.S. Equity Allocation Fund (p. 57)	Class III	GMUEX	USCoreEq	362013 65 8
	Class IV	GMRTX	USCoreEq	362013 64 1
	Class V	GMEQX	USCoreEq	362013 63 3
Emerging Markets Fund (p. 60)	Class VI	GMCOX	USCoreEq	362013 62 5
	Class II	GMEMX	EmergMkt	362007 50 2
	Class III	GMOEX	EmergMkt	362007 60 1
	Class IV	GMEFX	EmergMkt	362008 79 9
	Class V	GEMVX	GMOEmgMktsV	362008 28 6
	Class VI	GEMMX	EmergMkt	362008 27 8
Emerging Countries Fund (p. 64)	Class III	GMCEX	EmergCntr	362008 85 6
Emerging Domestic Opportunities Fund (p. 67)	Class II	GEDTX	N/A	362013 22 9
	Class III	GEDSX	N/A	362013 21 1
	Class IV	GEDIX	N/A	362013 19 5
	Class V	GEDOX	N/A	362013 18 7
	Class VI	GEDFX	N/A	362013 17 9
Quality Fund (p. 71)	Class III	GEDTX	Quality	362008 26 0
	Class IV	GQEFX	Quality	362008 24 5
	Class V	GQLFX	Quality	362008 23 7
	Class VI	GQLOX	Quality	362008 22 9
Resources Fund (p. 75)	Class III	GOFIX	N/A	362014 10 2
	Class IV	GOVIX	N/A	362014 20 1
	Class V	—	—	362014 30 0
	Class VI	—	—	362014 40 9
Fixed Income Funds				
Benchmark-Free Bond Fund (p. 79)	Class III	GBMTX	N/A	362014 69 8
	Class IV	—	—	362014 68 0
	Class V	—	—	362014 67 2
	Class VI	—	—	362014 66 4
Global Bond Fund (p. 83)	Class III	GMGBX	GlobalBd	362007 31 2
International Bond Fund (p. 87)	Class III	GMIBX	IntlBond	362007 37 9
Currency Hedged International Bond Fund (p. 91)	Class III	GMHBX	CurHgIntBd	362007 34 6
Core Plus Bond Fund (p. 95)	Class III	GUGAX	CorePlusBd	362008 60 9
	Class IV	GPBFX	CorePlusBd	362008 12 0
Emerging Country Debt Fund (p. 100)	Class III	GMCDX	EmgCntrDt	362007 27 0
	Class IV	GMDFX	EmgCntrDt	362008 78 1
Debt Opportunities Fund (p. 104)	Class III	—	—	362013 12 0
	Class VI	GMODX	N/A	362013 11 2
Implementation Funds				
Alpha Only Fund (p. 108)	Class III	GGHEX	N/A	362007 44 5
	Class IV	GAPOX	N/A	362013 48 4
Asset Allocation Bond Fund (p. 112)	Class III	GMOBX	AssetAllBd	362013 38 5
	Class VI	GABFX	AssetAllBd	362013 37 7
Benchmark-Free Fund (p. 117)	Class III	—	N/A	362013 16 1
Implementation Fund (p. 121)	N/A	—	N/A	362014 50 8
Risk Premium Fund (p. 125)	Class III	GMRPX	N/A	362014 83 9
	Class IV	GMRVX	N/A	362014 82 1
	Class V	—	—	362014 81 3
	Class VI	GMOKX	N/A	362014 79 7
Special Opportunities Fund (p. 129)	Class III	—	—	362014 75 5
	Class IV	—	N/A	362014 74 8
	Class V	—	—	362014 73 0
	Class VI	GSOFX	—	362014 72 2
Strategic Opportunities Allocation Fund (p. 133)	Class III	GBATX	N/A	362008 16 1
Taiwan Fund (p. 137)	Class III	GMOTX	Taiwan	362013 26 0
U.S. Treasury Fund (p. 141)	N/A	GUSTX	USTreas	362013 36 9

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ADDITIONAL INFORMATION

Each Fund's annual and semiannual reports to shareholders contain additional information about the Fund's investments. Each Fund's annual report contains a discussion of the market conditions and investment strategies that significantly affected the Fund's performance during its last fiscal year. The Funds' annual and semiannual reports, and the Funds' SAI, are available free of charge at <http://www.gmo.com> or by writing to Shareholder Services at GMO, 40 Rowes Wharf, Boston, Massachusetts 02110 or by calling collect at 1-617-346-7646. The SAI contains more detailed information about each Fund and is incorporated by reference into this Prospectus, which means that it is legally considered to be part of this Prospectus.

You can review and copy the Prospectus, SAI, and reports at the SEC's Public Reference Room in Washington, D.C. Information regarding the operation of the Public Reference Room may be obtained by calling the SEC at 1-202-551-8090. Reports and other information about the Funds are available on the EDGAR database on the SEC's Internet site at <http://www.sec.gov>. Copies of this information may be obtained, upon payment of a duplicating fee, by electronic request at the following e-mail address: publicinfo@sec.gov, or by writing the Public Reference Section of the SEC, Washington, D.C. 20549-1520.

Shareholders who wish to communicate with the Trustees must do so by mailing a written communication, addressed as follows: To the Attention of the Board of Trustees, c/o GMO Trust Chief Compliance Officer, 40 Rowes Wharf, Boston, Massachusetts 02110. The shareholder communication must (i) be in writing and be signed by the shareholder, (ii) identify the Fund to which it relates, and (iii) identify the class and number of shares held beneficially or of record by the shareholder.

SHAREHOLDER INQUIRIES

Shareholders may request additional
information from and direct inquiries to:

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