

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name GMO Domestic Bond Fund (Class III)		2 Issuer's employer identification number (EIN) 04-6764324	
3 Name of contact for additional information John Nasrah	4 Telephone No. of contact (617) 790-5063	5 Email address of contact John.Nasrah@gmo.com	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact 40 Rowes Wharf		7 City, town, or post office, state, and Zip code of contact Boston, MA 02110	
8 Date of action See Below		9 Classification and description Class III Common Stock	
10 CUSIP number 362007411	11 Serial number(s)	12 Ticker symbol GMDBX	13 Account number(s)

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ **On January 17, 2012, GMO Domestic Bond Fund (the "Fund") effected a one-for-nine reverse stock split. Every nine (9) shares of the Fund's issued and outstanding Class III stock were converted into one (1) issued and outstanding share of the Fund's Class III stock.**

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ **This organizational action did not have any effect on shareholders' total basis in Fund shares. Shareholders' basis per share increased ninefold.**

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ **The reverse stock split involved the receipt by shareholders of one (1) share of Class III stock for every nine (9) shares of existing, or pre-split, stock owned. The market value of the stock was not applicable in determining the calculation of shareholders' tax basis in the shares received in the stock split.**

Please note that this information does not address investor-level filing and/or reporting requirements that may be applicable. Please refer to the GMO Trust Prospectus and/or Statement of Additional Information. We recommend that you speak with your tax advisor to help you determine any U.S. federal or other tax reporting requirements or filings that may be applicable and with regard to all tax advice particular to an investment in the GMO Trust Funds. If you would like to discuss this disclosure, please call your GMO client relationship manager.