Form **8937** (December 2011) Department of the Treasury Internal Revenue Service

Report of Organizational Actions Affecting Basis of Securities

► See separate instructions.

OMB No. 1545-2224

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 September 27, 2012, GMO Domestic Bond Fund ("the Fund") made a distribution to its shareholders in excess of its estimated current and accumulated earnings and profits.

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 ► In the hands of a U.S. taxpayer, the nontaxable portion of the distribution reduces each shareholder's basis of Fund shares to the extent of the shareholder's basis in such shares.

The estimated reduction of basis for the distribution noted above is $1.657 per Class III share.

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 Fund's estimated earnings and profits were calculated in accordance with IRC Section 312 and IRC Section 852(c), as applicable. Distributions in excess of the portion of earnings and profits allocable to the shares reduces each shareholder's tax basis in its shares to the extent of basis.

In order to report the quantitative effect on basis by the due date of this return, certain assumptions regarding the Fund's earnings and profits were made. Finalized tax reporting information concerning the Fund's earnings and profits will be reported to the shareholders following the calendar year that includes the September 27, 2012 distribution.

Part II **Organizational Action** (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶

Section 301(c)(2)

Section 316

18 Can any resulting loss be recognized? ▶ **No**

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ **The reportable tax year is the 2012 calendar year. Note that the Fund maintains a February 28/29 tax year-end.**

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature ▶ [signature] Date ▶ 10/3/12

Print your name ▶ **John Nasrah** Title ▶ **Assistant Treasurer, GMO Trust**

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
	Firm's name ▶			Firm's EIN ▶	
	Firm's address ▶			Phone no.	

Send Form 8937 (including accompanying statements) to: Department of the Treasury, Internal Revenue Service, Ogden, UT 84201-0054

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.