

TAX-MANAGED INTERNATIONAL EQUITIES FUND

Investment Review: Quarter Ending March 31, 2022

OVERVIEW

The GMO Tax-Managed International Equities Fund seeks to deliver high after-tax total return by investing primarily in international equities that GMO believes have positive return potential relative to other securities tied economically to international equity markets.

PERFORMANCE (%)

Net of Fees, Class III, Fair Value, USD	-3.92
Gross of Fees, Class III, Local Close, USD	-2.94
MSCI EAFE ¹	-5.91
Value Added	+2.97

Major Performance Drivers

After starting the year in positive territory, international markets fell sharply with the Russian invasion of Ukraine. The MSCI EAFE index remained in negative territory as markets assessed the human toll, supply chain disruptions, and inflationary pressures, as well as the impact of regional Covid waves. With this backdrop, Energy stocks rose dramatically as supply concerns drove energy prices higher.

Within EAFE, EAFE Value outperformed EAFE Growth, helped in part by the MSCI EAFE Value Index's higher weight in the Energy sector. In this environment the stocks our models identified as cheap outperformed, as did those with positive sentiment from other asset classes. The strength of Value and Cross-Asset signals outweighed the underperformance of companies identified as higher quality or with good growth prospects. This led to portfolio outperformance relative to MSCI EAFE.

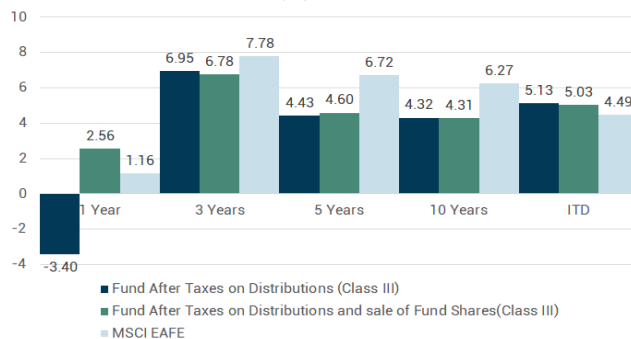
Positive stock selection was broad-based across sectors and countries. Sector highlights included selection in Industrials, Materials, Communication Services, Consumer Staples, and Information Technology. Japan, the Netherlands, Norway, and Singapore were also areas of strong stock selection, including Japanese Industrials and Norwegian Materials. Emerging Markets also contributed to the strong first quarter results.

Areas of more challenging stock selection included the U.K., Consumer Discretionary, and Financials. Within the U.K., the headwinds were broad-based and included Consumer Discretionary, Materials, and Energy. Top detractors included overweights toward U.K. Consumer Discretionary names Next and Barratt Developments. An underweight toward Royal Dutch Shell was the top detractor, contributing to the performance headwinds from the portfolio's underweight toward the Energy sector.

Portfolio weights, as a percent of equity, for the positions mentioned were: Next (0.7%), Barratt Developments (0.9%), and Royal Dutch Shell (0.0%).

Performance data quoted represents past performance and is not indicative of future results. The investment return and principal value of an investment will fluctuate so that an investors shares, when redeemed, may be worth more or less than their original cost. Current performance data may be lower or higher than the performance data provided herein. To obtain performance information to the most recent month-end, visit www.gmo.com. Gross Expense Ratio of 1.27% is equal to the Funds Total Annual Operating Expenses set forth in the Funds most recent prospectus dated June 30, 2021.

ANNUALIZED RETURN (%) AS OF 3/31/2022



Inception date: 07/29/1998

Includes purchase premiums and redemption fees impact if applicable.

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An investor should consider the fund's investment objectives, risks, charges and expenses before investing. This and other important information can be found in the fund's prospectus. To obtain a prospectus please visit www.gmo.com. Read the prospectus carefully before investing.

Risks Associated with investing in the Fund may include, Market Risk-Equities, Management and Operational Risk, Non-U.S. Investment Risk, Currency Risk and Illiquidity Risk. For a more complete discussion of these risks and others, please consult the Fund's prospectus. The GMO Trust funds are distributed in the United States by Funds Distributor LLC. GMO and Funds Distributor LLC are not affiliated.

¹ The 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.