

TAX-MANAGED INTERNATIONAL EQUITIES FUND

Investment Review: Quarter Ending June 30, 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	-12.65
Gross of Fees, Class III, Local Close, USD	-13.52
MSCI EAFE ¹	-14.51
Value Added	+1.00

Major Performance Drivers

The second quarter was a challenging one for global markets as investors assessed the impact of persistently high inflation, the higher interest rates needed to tame it, and the combined impact of both on future growth prospects. All of this occurred in the shadow of the continued Russian aggression in Ukraine and Covid lockdowns in China, with both impacting global supply chains. In this environment all MSCI EAFE sectors lost value, and only the Energy sector posted gains year to date.

EAFE Value outperformed EAFE Growth in the second quarter, but Value outperformance in April and May was tempered by underperformance in June. Value models were all strong performers in the quarter, driving portfolio outperformance, while Cross-Asset signals and Corporate Alerts also contributed to positive stock selection. In contrast, attractive Growth struggled, and Quality also underperformed the market.

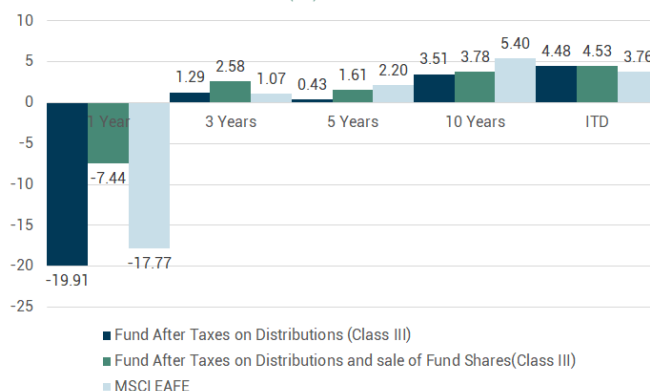
Strong stock selection across Consumer Staples, Information Technology, Communication Services, and Consumer Discretionary, the U.K., and Japan added value. Within Staples, the Food, Beverage, and Tobacco industry was an area of strength with top contributors including British American Tobacco (U.K.), Japan Tobacco (Japan), Imperial Brands (U.K.), and WH Group (Hong Kong). Not holding ASML (Netherlands) also contributed to the outperformance of the Information Technology sector.

Materials, Industrials, France, and Norway posed stock selection challenges. Top detractors included Norsk Hydro (Norway Materials), Compagnie de Saint-Gobain (France Industrials), Rio Tinto (Australia Materials), and Marubeni Corporation (Japan Industrials).

Portfolio weights, as a percent of equity, for the positions mentioned were: British American Tobacco (3.3%), Japan Tobacco (2.4%), Imperial Brands (2.2%), WH Group (0.6%), ASML (0.0%), Norsk Hydro (1.3%), Compagnie de Saint-Gobain (1.8%), Rio Tinto (2.5%), and Marubeni Corporation (1.8%).

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, 2022.

ANNUALIZED RETURN (%) AS OF 6/30/2022



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.