

GMO RESOURCES LONG/SHORT STRATEGY

OVERVIEW

The GMO Resources Long/Short Strategy's investment objective is high total return. We aim to accomplish this objective by owning attractively valued natural resource equities and shorting their expensive peers. The eligible universe includes commodity producers and companies that service commodity producers in the energy, metals, agriculture, and water sectors. Our opportunity set is global in nature and spans the market capitalization spectrum. The portfolio is diversified across sectors, countries, and regions on both the long and short sides and is intended to be approximately dollar neutral.

PORTFOLIO MANAGEMENT



Lucas White, CFA

- Joined GMO in 2006
- 23 yrs industry experience
- B.A. from Duke University



Tom Hancock

- Joined GMO in 1995
- 25 yrs industry experience
- Ph.D. from Harvard University

Performance Net of Fees (USD)

TOTAL RETURN (%)

	<i>Portfolio</i>	<i>FTSE 3-Mo. T-Bill</i>
MTD	-2.05	0.01
QTD	-7.76	0.01
YTD	-7.76	0.01

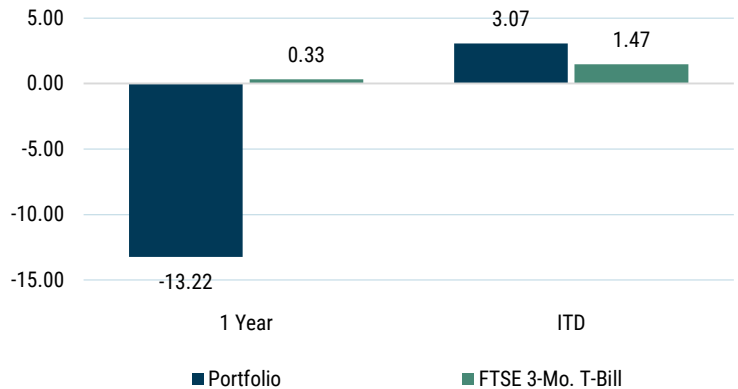
ANNUAL TOTAL RETURN (%)

2020	-6.69	0.58
2019	-3.51	2.25
2018	30.53	1.07

FACTS

Strategy Inception Date	May 31, 2018
Benchmark	FTSE 3-Mo. T-Bill
Total Assets as of 12/31/20	\$88mm USD

ANNUALIZED RETURNS (%) AS OF 02/28/2021



Composite Inception Date: June 30, 2018

Returns shown for periods greater than one year are on an annualized basis.

Performance data quoted represents past performance and is not predictive of future performance. Net returns are presented after the deduction of a model advisory fee and incentive fee if applicable. These returns include transaction costs, commissions and withholding taxes on foreign income and capital gains and include the reinvestment of dividends and other income, as applicable. A Global Investment Performance Standards (GIPS®) compliant presentation is available on GMO.com by clicking the GIPS® Compliant Presentation link in the documents section of the strategy page. GIPS® is a registered trademark owned by CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein. Actual fees are disclosed in Part 2 of GMO's Form ADV and are also available in each strategy's compliant presentation.

Risks associated with investing in the Strategy may include Focused Investment Risk, Natural Resources Risk, Market Risk - Equities, Short Investment Exposure Risk, and Preferred Securities Risk.

GMO RESOURCES LONG/SHORT STRATEGY

CHARACTERISTICS

	<i>Long</i>	<i>Short</i>
Price/Earnings - Hist 1 Yr Wtd Mdn	35.5x	117.5x
% Neg Earnings	57.6%	72.2%
Price/Book - Hist 1 Yr Wtd Avg	1.6x	1.8x
Price/Cash Flow - Hist 1 Yr Wtd Mdn	7.1x	17.2x
Return on Equity - Hist 1 Yr Mdn	6.8%	2.5%
Dividend Yield - Hist 1 Yr Wtd Avg	3.2%	1.4%
Market Cap - Wtd Mdn Bil	7.0 USD	3.8 USD
Number of Equity Holdings	99	99
% Long/Short	179.2%	164.9%

EXPOSURE BY SEGMENT (%)

<i>Segment</i>	<i>Long</i>	<i>Short</i>	<i>Net</i>
Energy	98.83	-59.56	39.27
Fossil Fuels	67.53	-35.65	31.88
Energy Drilling, Equipment, & Services	5.03	-10.57	-5.05
Clean Energy	26.27	-13.35	10.94
Industrial Metals	62.55	-55.64	6.91
Diversified Metals & Mining	42.78	-25.89	16.88
Copper	15.32	-7.98	7.34
Platinum Group Metals	0.47	-5.59	-5.12
Lithium	3.98	-4.27	-0.29
Metals Equipment, Machinery, & Services	0	-6.51	-6.51
Silver	0	-5.39	-5.39
Agriculture	21.34	-55.36	-34.03
Precision Agriculture	2.98	-3.17	-0.19
Timber	0	-15.35	-15.35
Fish Farming	2.43	-9.85	-7.42
Farming	6.69	-6.75	-0.06
Agricultural Productivity	9.23	-10.66	-1.42
Eco-Chemicals	0	-9.58	-9.58
Water	2.71	0	2.71
Other	0	-0.29	-0.29
Total	185.42	-170.85	14.57

RISK PROFILE - SINCE INCEPTION (06/29/2018)

	<i>Portfolio</i>
Sharpe Ratio	0.10
Standard Deviation	15.82
Max Port. Drawdown (12/31/2018 - 08/31/2020)	-18.13

Sharpe Ratio is the return over the risk free rate per unit of risk. Std Deviation is a measure of the volatility of a portfolio. Drawdown is based on the portfolio's worst performance over the period based on monthly observations. Risk profile data is net.

TOP HOLDINGS

<i>Company</i>	<i>Country</i>	<i>Sector</i>	<i>%</i>
Kosmos Energy Ltd	United States	Energy	9.5
Royal Dutch Shell PLC	United Kingdom	Energy	8.7
Bradespar SA	Brazil	Materials	8.6
Glencore PLC	United Kingdom	Materials	5.9
CNOOC Ltd	China	Energy	5.4
LUKOIL PJSC	Russian Federation	Energy	5.2
Grupo Mexico SAB de CV	Mexico	Materials	5.1
Darling Ingredients Inc	United States	Consumer Staples	4.7
Novatek PJSC	Russian Federation	Energy	4.4
Ivanhoe Mines Ltd	Canada	Materials	4.2
Total			61.7

Portfolio holdings are percent of equity. Where applicable, the top holdings are derived by looking through to the underlying portfolios in which the asset allocation strategy invests and, where appropriate, individual security positions are aggregated. They are subject to change and should not be considered a recommendation to buy individual securities.

The FTSE 3-Month Treasury Bill Index is an independently maintained and widely published index comprised of short-term U.S. Treasury bills.

The above information is based on a representative account in the Strategy selected because it has the fewest restrictions and best represents the implementation of the Strategy.



About GMO: Founded in 1977, GMO is a private partnership whose sole business is investment management. The firm manages global portfolios with offices and clients around the world. Investment offerings include equity, fixed income, multi-asset class, and alternative strategies. GMO is known for blended fundamental and quantitative investment research expertise and a long-term orientation toward value opportunities.