QUARTERLY INVESTMENT REVIEW

Resource Transition Strategy

Performance returns (USD)

ANNUALIZED RETURNS (QUARTER-END)	Quarter-End	YTD	1-Year	3-Year	5-Year	10-Year	Since Inception
Resource Transition Strategy (net)	15.03	47.46	47.46	-	-	-	-1.89
Resource Transition Strategy (gross)	15.31	48.86	48.86	-	-	-	-0.96
MSCI ACWI Commodity Producers ex-Energy	13.56	63.40	63.40	-	-	-	14.56
Value Add	+1.48	-15.94	-15.94	-	-	-	-16.44

MAJOR PERFORMANCE DRIVERS

After a slow start to the year, the GMO Resource Transition portfolio came roaring back to deliver an astounding 47% return net of fees in 2025. There were many areas of strength in our portfolio. Buoyed by historically cheap valuations and strong metals prices, our industrial metals position rose almost 60%. Our copper, lithium, iron ore, uranium, and platinum group metal positions all generated strong returns.

Copper hit all-time highs toward the end of the year and continues to be an intriguing commodity. Data centers, renewables, electric vehicles, robotics, and other copper-intensive growth areas continue to pile on to what was already expected to be an undersupplied market. Mining companies have been scrambling in recent years to add to their copper exposure in an effort to capitalize on the growing demand and expected higher prices. Supply rarely seems to be able to keep up with projections, though. Dam collapses, mine flooding, squabbles with local governments, accidents, and seismic activity have all impacted copper supply in recent years.

After two and a half tough years for lithium, our lithium positions benefited from a rebound in lithium pricing in the second half of last year. Strong demand for lithium-ion batteries for energy storage systems (ESS) caught the market off guard, as did constraints to Chinese supply. Global supply was already expected to fall short by the end of this decade due to electric vehicle (EV) battery demand growth. Increased expectations for ESS and batteries for robotics have exacerbated the projected shortages.

RISKS

Risks associated with investing in the Strategy may include: (1) Focused Investment Risk: the Fund invests its assets in the securities of a limited number of issuers, and a decline in the market price of a particular security held by the Fund may affect the Fund's performance more than if the Fund invested in the securities of a larger number of issuers; (2) Commodities Risk: commodity prices can be extremely volatile, and exposure to commodities can cause the value of the Fund's shares to decline or fluctuate more than if the Fund had a broader range of investments; and (3) Market Risk - Equities: the market price of equities may decline due to factors affecting the issuer, its industries, or the economy and equity markets generally. Declines in stock market prices generally are likely to reduce the net asset value of the Fund's shares. This is not a complete list of risks associated with investing in the Strategy. Please contact GMO for more information.

Composite Inception Date: 28-Feb-23

Performance Returns: Performance for the year of inception is less than a full calendar year. Returns shown for periods greater than one year are on an annualized basis. To obtain performance information to the most recent month-end, visit www.gmo.com. **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. Fees paid by accounts within the composite may be higher or lower than the model fees used. Gross returns are presented gross of management fees and any incentive fees if applicable. These returns include transaction costs, commissions, withholding taxes on foreign income and capital gains and include the reinvestment of dividends and other income, as applicable. If management and incentive fees were deducted performance would be lower. For example, if, before fees, the strategy were to achieve a 10% annual rate of return above its hurdle rate each year for ten years, and an annual advisory fee of 1% and incentive fee of 20% of net returns above the hurdle rate were charged during that period, the resulting average annual net return (after the deduction of management and incentive fees) would be approximately 7.20%. **GMO LLC claims compliance with the Global Investment Performance Standards (GIPS®). A Global Investment Performance Standards (GIPS®) Composite Report is available at www.gmo.com by clicking the GIPS® Composite Report 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 Composite Report.** The portfolio is actively-managed, is not managed relative to a benchmark and uses an index for performance comparison purposes only and, where applicable, to compute a performance fee.

QUARTERLY INVESTMENT REVIEW

MAJOR PERFORMANCE DRIVERS CONT.

Clean energy bounced back in 2025 as well. In recent years, our out-of-index clean energy exposure has been a substantial drag on performance. However, strong fundamentals and solidification of U.S. public policy support helped clean energy charge to a strong year. Our wind positions more than doubled, and our solar positions weren't far behind. While our clean energy exposure creates a mismatch with the index, the diversification benefits are clear.

Though our portfolio delivered strong returns last year, the index performed even better, driven by the explosive performance of gold and silver. We don't invest in these commodities, as we target commodities where we see secular demand growth and challenged supply, and the demand for gold and silver can be quite volatile. With gold and silver miners comprising almost half of the index and up over 150% last year, it was a painful year to exclude them from our universe. Even if they had been part of our universe, we likely would have had minimal exposure, as the companies generally looked expensive, and that became a bigger issue as the year wore on.

As data centers and AI mesmerized the market last year, there was a growing awareness that energy may be a critical bottleneck. Data centers, manufacturing/industrial demand, and electrification (EVs, electric hot water heaters, heat pumps, etc.) are pushing electricity demand growth to levels the U.S. hasn't seen since the 1960s. The seemingly insatiable demand for electricity, both in the U.S. and globally, produces tailwinds throughout the resources landscape. Renewables will be critical to meeting the growing demand because they're cheap, clean, and readily deployable. Lithium-driven energy storage will be needed in large quantities in order to smooth out the intermittency of renewables and manage supply and demand in an increasingly stressed grid. Nuclear generation will be needed to provide baseload power, underpinning growth in uranium demand. Sitting at the heart of it all is copper, the key material for electrical applications.

Despite the tailwinds and last year's strong performance, valuations for resource companies continue to hover around all-time lows relative to the broad equity market. Remarkably, resource companies are trading at almost an 80% discount, a level almost never approached in the last 100 years. We've seen some data points recently that indicate renewed interest in commodities. It will be interesting to see if valuations move upward, but if they don't, investors should benefit from significantly higher yields than the broad equity market.

QUARTERLY INVESTMENT REVIEW

PRODUCT OVERVIEW

The GMO Resource Transition Strategy seeks to generate total return by investing primarily in equities of companies in the resource transition sector.

GMO's Focused Equity team believes that global population growth, the industrialization of emerging markets, and the clean energy transition will increase global demand for natural resources and that, given their finite supply, the prices of these resources will increase over time. The Strategy seeks to invest in the securities of companies that we believe will benefit from – and avoid companies we believe will be adversely affected by – this expected long-term rise in natural resource prices as well as the increasing demand for clean energy.

IMPORTANT INFORMATION

Comparator Index(es): The MSCI ACWI (All Country World) Commodity Producers ex-Energy Index is an independently maintained benchmark comprised of listed large and mid capitalization commodity producers within the global developed and emerging markets, excluding companies in the energy sector as defined by GICS. 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.

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.

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