QUARTERLY INVESTMENT REVIEW

Resources Strategy

Preliminary Performance returns (USD)*

ANNUALIZED RETURNS (QUARTER-END)	Quarter-End	YTD	1-Year	3-Year	5-Year	10-Year	Since Inception
Resources Strategy (net)	-5.99	-5.99	-19.31	-11.41	12.00	6.44	4.32
Resources Strategy (gross)	-5.82	-5.82	-18.72	-10.77	12.80	7.18	5.05
MSCI ACWI Commodity Producers	9.87	9.87	-0.35	2.61	19.04	5.48	2.92
Value Add	-15.86	-15.86	-18.96	-14.02	-7.05	+0.96	+1.40

MAJOR PERFORMANCE DRIVERS

The first quarter of 2025 saw a significant shift across global markets. There was a reversal of many of the themes driving the fourth quarter, with the "Trump trade" primarily unwinding. "Liberation Day" signaled the start of Trump's tariff war in earnest, but the tariff announcements and resulting volatility had already begun in February and March. Commodity prices whipsawed as traders tried to price in the new geopolitical landscape. From the commodities we focus on, oil and copper prices were particularly sensitive to the risk of a global recession and a further deterioration in the U.S.-China relationship. Bond yields fell significantly at the 10-year part of the curve, reducing longer-term borrowing costs but leaving little immediate relief for any yield sensitive industries. Against this backdrop, the Resources portfolio was down for the quarter, underperforming the MSCI ACWI Commodity Producers index.

Our biggest segment, Energy, at over 60% of the portfolio was also the largest detractor. There were three main factors behind Energy's underperformance. Smaller cap names and those with emerging market production like Kosmos Energy, Ypf, and Vista Energy, all experienced a tough quarter. In the case of Kosmos, investors couldn't see past a short-term maintenance issue along with falling oil prices to a hedging program that provides downside protection and an expected free cash flow yield of 20% by year end. Conversely, not holding Exxon or Chevron hurt as investors looked past valuation in a flight to perceived safety. Neither had a particularly compelling earnings season. Finally our biofuel portfolio in our Clean Energy book faced pressure after major biofuel producers lowered their revenue guidance, partly due to uncertainty around the 45Z tax credit in the U.S. Earnings season across our other Clean Energy names generally indicated continued improvement in fundamentals. For example, Nextracker, a producer of utility scale solar equipment, reported a 33% beat on earnings and raised its profit guidance. Yet this is a company trading at 11x next year's earnings.

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: 31-Dec-11

***Preliminary Performance: Final performance numbers are generally available on GMO's website within fifteen business days after month end. Investors should not rely on preliminary numbers to make investment decisions.**

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 the Index for performance comparison purposes only and, where applicable, to compute a performance fee.

MAJOR PERFORMANCE DRIVERS CONT.

Across other segments of the portfolio, copper has been the most interesting of the metals segments. Copper prices, particularly in the U.S., rose a lot in the first quarter, as stockpiling occurred to beat copper tariffs that have been expected. The copper miners didn't particularly benefit from the higher copper prices, implying that the equity market viewed the high copper prices as temporary. Despite the fact that copper miners hadn't benefitted much from the rise in copper prices, our thesis was that copper miners would be hurt as copper prices deflated, so we started to substantively trim our copper exposure. Once President Trump announced the tariffs, copper prices collapsed, and the copper miners have been hit. As a result, copper miners finished the quarter very attractively valued. In terms of other positioning changes over the quarter, we have been modestly adding to a range of energy names, as valuations have either continued to look attractive. Our agriculture portfolio, notably Corteva, has been an area to take profit as it has continued to ramp up its earnings.

The long-term supply/demand dynamics in natural resource markets favor high and rising prices. But the deeply discounted valuations still available in many parts of this sector mean that investors don't need commodity prices to rise in order to expect strong returns. Flat commodity prices could still lead to a healthy return from a resource equity portfolio. In addition, valuations within the Clean Energy sector remain attractive, especially relative to expected earnings growth.

Portfolio weights, as a percent of equity, for the positions mentioned were: Vista (3.1%), YPF (3.2%), Kosmos (5.1%), Nextracker (1.2%), Corteva (1.1%)

QUARTERLY INVESTMENT REVIEW

PRODUCT OVERVIEW

The GMO Resources Strategy seeks to deliver total return by investing in the equities of companies in the natural resources sector. Long-term supply and demand dynamics in natural resource markets favor upward price trends – demand growth is being driven by population growth and the development of emerging markets, while supplies of cheap, easy to access natural resources are declining. To harness this trend, we focus on identifying companies in public equity markets that we believe will benefit from a broad rise in resource prices, across a diversified portfolio of energy, metals, agriculture, and water.

We can invest globally across the capitalization spectrum, including emerging markets, which allows us to identify attractive investment opportunities wherever they may be.

IMPORTANT INFORMATION

Comparator Index(es): The MSCI ACWI (All Country World) Commodity Producers Index (MSCI Standard Index Series, net of withholding tax) is an independently maintained and widely published index comprised of listed large and mid capitalization commodity producers within the global developed and emerging markets. 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.

ABOUT GMO

Founded in 1977, GMO is a global asset manager committed to delivering superior performance and advice to our clients. We are privately owned, which allows us to singularly focus on our sole business – achieving outstanding long-term client investment outcomes. Offering multi-asset, equity, fixed income, and alternative strategies, we invest with a long-term, valuation-based philosophical approach.

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*GMO's West Coast Hub is comprised of members of Investment, Global Client Relations, and other teams located in and around the Greater San Francisco area
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