

# RESOURCES UCITS FUND

Quarter Ending March 31, 2021

## OVERVIEW

The GMO Resources UCITS Fund seeks to generate total return by investing in equities in the natural resources sector. The Fund's benchmark is the MSCI All Country World Commodities Index.

## PERFORMANCE (%)

|  |              |
|--|--------------|
| Net of Fees, USD                           | +1.35        |
| Gross of Fees, USD                         | +1.35        |
| MSCI ACWI Commodity Producers <sup>1</sup> | -0.61        |
| <b>Value Added</b>                         | <b>+1.96</b> |

## Major Performance Drivers

Resources companies generated very strong returns in the first quarter of 2021. Resources stocks rallied on the prospect for improved economic conditions yet remain very attractively valued when compared to their own history and other sectors.

Fiscal stimulus and improving economic conditions drove Fossil Fuel companies to a 20% gain for the quarter. Meanwhile, Clean Energy took a break from its strong 2020, and posted returns that were essentially flat. Within the Energy sector, Fossil Fuels are an underweight by about 15 points while Clean Energy is an overweight by a similar amount, and this positioning caused the quarter's underperformance.

The Agriculture sector gained 21.7% and was the strongest sector in the portfolio. Top contributing companies included Agco, Mosaic, and Phosagro. Relative to the benchmark, Agriculture is an overweight position and the strong performance here helped boost the portfolio's return.

Industrial Metals make up 32% of the portfolio and posted a robust 11% gain in the first quarter. This overweight position had little impact on relative results, however, because the portfolio's results essentially matched that of the benchmark. Top performing holdings include Grupo Mexico, Freeport-McMoRan and Glencore.

Portfolio weights, as a percent of equity, for the positions mentioned were: Agco (1.5%), Mosaic (0.9%), Phosagro (1.4%), Grupo Mexico (3.1%), Freeport-McMoRan (1.9%), and Glencore (3.2%).

**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 investor's 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](http://www.gmo.com). Attribution figures reflect that of the base currency of the portfolio which may differ from that of the hedged currency share class.**

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<sup>1</sup> 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.