

QUARTERLY INVESTMENT REVIEW

Resources UCITS Fund

RETURNS (%) (LOCAL)

	Cumulative (%)		Annualized (%)				
	QTD	YTD	1 Year	3 Years	5 Years	10 Years	ITD
Net of Fees Fund (USD Class A)	-0.61	-2.87	7.78	-	-	-	2.92
Gross of Fees Fund (USD Class A)	-0.42	-2.50	8.60	-	-	-	3.70
MSCI ACWI Commodity Producers	-1.48	-2.71	12.89	-	-	-	13.03
Value Added (vs. MSCI ACWI Commodity Producers)	0.87	-0.15	-5.11	-	-	-	-10.11

Major Performance Drivers

The second quarter in global equities was about owning a handful of large cap tech names that the market expected to be the biggest beneficiaries of the "AI Everywhere" theme – names like Nvidia, Apple, Microsoft, Amazon. The AI-led tech rally also meant Growth stocks outperformed Value stocks and large cap beat small. The S&P 500 went back into bull market territory. Our portfolio continues to be small to mid cap in nature and oriented toward value, a reflection of where we see the best forward-looking opportunities. In contrast to the AI boom, Q2 was a tough environment for commodities and resource producers. In this environment, the Resources portfolio outperformed the MSCI Commodity Producers index, which was down 1.5%.

Our Energy segment, at just over half of the portfolio, was the largest absolute return contributor, driven by fossil fuel and biofuel positions. Petrobras, a Brazilian oil & gas company, was our strongest contributor, reflecting increased investor comfort around governance issues. Darling Ingredients, one of our highest conviction biofuel names due to its captive supply chain and its ability to make the most of tax incentives, was also one of our strongest performers. The rest of our clean energy portfolio notched up significant outperformance in comparison to global clean energy markets but lagged behind broader global energy markets.

The Industrial Metals segment faced challenges from a significant drawdown in platinum group metals, Impala Platinum in particular, and a milder drawdown in diversified miners. However, our lithium positions performed strongly, in line with the base commodity; Livent was the second-best performer for the quarter. The push toward increased lithium supply continues to hold those in the battery and electric vehicle supply chains in thrall.

The Agriculture segment was down for the quarter, due primarily to agricultural productivity, however timber and farming positions significantly outperformed. Relative to the benchmark, Agriculture was the strongest performer by some way.

The long-term supply/demand dynamics in natural resource markets favor high and rising prices. But the deeply discounted valuations still available in some 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.

Portfolio weights, as a percent of equity, for the positions mentioned were: Petrobras (3.9%), Darling Ingredients (4.5%), Livent (1.5%), Impala Platinum (1.4%).

Inception Date: 29-Mar-21

This is a marketing communication. This is not a contractually binding document. Please refer to the prospectus and to the KIID/PRIIPS KID and do not base any final investment decision on this communication alone. **Risks:** Risks associated with investing in the Fund 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. (3) Market Risk - Equities: The market price of an equity may decline due to factors affecting the issuer or its industry 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. For a more complete discussion of these risks and others, please consult the Fund's prospectus. 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.

Net of all fees and expenses after reimbursement by the Manager, but not transaction costs, if any. If certain expenses were not reimbursed, performance would be lower.

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. The portfolio is not managed relative to a benchmark. References to an index are for informational purposes only.

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PRODUCT OVERVIEW

The GMO Resources UCITS Fund seeks to generate total return by investing in equities in the natural resources sector.

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.

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 funds prospectus. To obtain a prospectus please visit www.gmo.com. Read the prospectus carefully before investing.

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Investors and potential investors can also obtain the prospectus and key investor information, in English and other languages, and a summary of investor rights and information on access to collective redress mechanisms at the following website: <https://www.gmo.com/europe/product-index-page/equities/resources-strategy/resources-ucits-fund/>

Please note that GMO Investments ICAV and GMO Funds PLC may decide to terminate the arrangements made for the marketing of the sub-funds in one or more EU member states pursuant to the UCITS marketing passport in accordance with the procedure provided for under the applicable laws that implement Article 93a of Directive 2009/65/EC (the UCITS Directive).

A full list of fees and charges applied to investment can be found in the prospectus and in the KIID/PRIIPS KID, available at: <https://www.gmo.com/europe/product-index-page/equities/resources-strategy/resources-ucits-fund/>

This advertisement has not been reviewed by the Monetary Authority of Singapore.

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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