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)	-0.75	-3.60	10.43	–	–	–	2.31
Gross of Fees Fund (USD Class A)	-0.56	-3.04	11.26	–	–	–	3.09
MSCI ACWI Commodity Producers	6.55	3.66	22.68	–	–	–	14.52
Value Added (vs. MSCI ACWI Commodity Producers)	-7.30	-7.26	-12.25	–	–	–	-12.20

Major Performance Drivers

The third quarter saw sentiment drive change across a range of markets. Bond yields, particularly at the long end, rose significantly in seeming acceptance of "higher for longer" from global monetary policy makers. Oil prices rose significantly on supply concerns driven by production cuts from Saudi Arabia and Russia. Equity markets also ended the quarter on a downbeat note, not immune to these effects and to slower growth in China – the world's second largest economy. In this environment, the Resources portfolio was flat for the quarter, underperforming the MSCI Commodity Producers index, which was up.

Our Energy segment, at just over half the portfolio, was the largest detractor. A strong quarter for our Fossil Fuel producers was not enough to offset one of the most challenging quarters for Clean Energy. The Fossil Fuel outcome was buoyed by strong stock selection as the relative underweight to the sector hurt as oil prices rose. Four of the top five contributors this quarter – Kosmos, Galp, Petrobras, and Hess – came from our Fossil Fuel portfolio. Clean Energy, an off-benchmark position, was responsible for all of our relative underperformance in the third quarter. Solar energy took the biggest hit, due largely to negative revision in forward guidance by key industry players. But it wasn't just solar, both Biofuels and Wind followed suit, contributing to the overall drawdown. Notably, four of our top five detractors – SolarEdge, Darling Ingredients, SunRun, and Ameresco – all came from these energy transition critical areas. Taking a step back, over the past year our performance within Clean Energy has been significantly more resilient than broader Clean Energy indices but a broad-based sell-off can lead to questions about future viability of a sector. An undershoot on earnings for this quarter or revised down future earnings projections can easily be extrapolated. However, a setback in earnings over a few quarters cannot overshadow the sustained progress in the Clean Energy space. These are fundamentally robust companies experiencing rapid growth. Public policy incentives contained in the U.S. Inflation Reduction Act and the EU's Green Deal Industrial Plan (and many other similar policies around the world) are pushing the energy transition into a higher gear. As a result of this dislocation, many of the companies best placed to harness this secular tailwind are now available at more attractive valuations, particularly versus broader global equities, and we have harnessed this dislocation by adding to our Clean Energy positions over this quarter. Our most recent white paper is an important complement to this quarter's review and is available here: https://www.gmo.com/americas/research-library/turbulence-on-the-path-to-transformation_whitepaper/

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Major Performance Drivers Cont.

The Industrial Metals segment was the second largest detractor as metals, broadly, did not experience the same bullish quarter as traditional energy. Our Lithium producers faced the largest drawdown as the base commodity prices continued to fall from absolute highs earlier this year.

The Agriculture segment was the strongest performer, driven in part by double-digit returns in the Farming portfolio. In fact all sub-segments besides Precision Agriculture added positive absolute returns and significantly outperformed the benchmark.

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: Kosmos (6.6%), Galp (4.2%), Petrobras (3.7%), Hess (3.0%), SolarEdge (2.3%), Darling Ingredients (3.7%), SunRun (2.4%), Ameresco (1.7%).

PRODUCT OVERVIEW

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

GMO's Focused Equity team believes that the increasing demand for natural resources, driven primarily by population growth in and industrialization of emerging markets, coupled with the limited supply of these resources, favors an upward trend in resource prices over time. The Fund seeks to invest in the securities of companies that we believe will benefit from this expected long-term rise in natural resource prices.

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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The above Fund has not been registered under the United States Investment Company Act of 1940, as amended, nor the U.S. Securities Act of 1933, as amended. None of the shares may be offered or sold, directly or indirectly, in the U.S. or to any U.S. Person, unless the securities are registered under the Act or an exemption from the registration requirements of the Act is available. A U.S. Person is defined as (a) any individual who is a citizen or resident of the U.S. for federal income tax purposes; (b) a corporation, partnership, or other entity created or organized under the laws of or existing in the U.S.; (c) an estate or trust the income of which is subject to U.S. federal income tax regardless of whether such income is effectively connected with a U.S. trade or business.

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.

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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