RESOURCES FUND

Quarterly Investment Review

PRODUCT OVERVIEW

The GMO Resources Fund 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.

MAJOR PERFORMANCE DRIVERS

The second quarter saw a 180-degree shift in global equity market sentiment, with risk-on enthusiasm driving appetite for AI hardware stocks along with more cyclical and speculative names broadly outside of commodity producers. The market largely shrugged off the war in Iran by the start of the quarter. Oil and gas prices fell significantly, as did prices of many metals, including precious metals, lithium, and platinum. Outside of a few clean energy names that had AI datacenter spending hype driving their performance, that sector was also broadly down. Against this backdrop, the Resources portfolio was down, but materially less so than the MSCI ACWI Commodity Producers Index.

Within the oil and gas portfolio, we used the first quarter's war-driven rally as an opportunity to lock in profits. Early in the quarter, we trimmed higher-beta exploration and production names such as Kosmos Energy and ConocoPhillips, where valuation upside had narrowed considerably following their outsized Q1 outperformance, while also reducing integrated positions including BP and Shell. This discipline not only preserved some of the Q1 rally's gains but also left us with dry powder to redeploy into these names, and others in the space, should valuations become more compelling again on the promise of peace.

Clean energy again proved a valuable diversifier within the portfolio. With traditional energy down double digits, clean energy's comparatively resilient, off-benchmark performance helped cushion the portfolio against the reversal in fossil fuel prices.

Elsewhere in the portfolio, not holding pure-play gold and silver miners was again additive, as the sector continued to retrace the exceptional froth and sentiment that characterized 2025 — a pattern that has now persisted for a second consecutive quarter. Performance across the remaining metals complex was more mixed. Lithium markets were similarly pressured: demand signals from China disappointed as EV sales growth moderated, while the prospect of meaningful new supply coming online drove prices lower. We see this less as a reversal of the long-term electrification story and more as a valuation reset.

We are also seeing a valuation opportunity opening up in our agriculture and timber names as these commodities and related industries have derated on cyclical pressures.

Looking ahead, the long-term supply/demand dynamics in natural resource markets favor high and rising prices. Recent geopolitical events have only served as a reminder of just how imbalanced these markets can become under a supply shock. 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. We expect significant free cash flow generation over the coming years across a range of commodity producers.

Portfolio weights, as a percent of equity, for the positions mentioned were: Kosmos Energy (1.6%), ConocoPhillips (2.8%), BP (3.2%), and Shell (2.9%).

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ANNUALIZED RETURNS (USD, %) (QUARTER-END)

	Quarter-End	*YTD*	*1-Year*	*3-Year*	*5-Year*	*10-Year*	*Since Inception*
Resources Fund (net)	-9.55	17.61	47.63	6.34	3.59	11.69	7.15
Resources Fund (gross)	-9.39	18.01	48.64	7.10	4.32	12.50	7.94
MSCI ACWI Commodity Producers	-11.79	9.91	33.35	13.57	12.43	9.26	4.78
Value Add	+2.24	+7.70	+14.28	-7.23	-8.85	+2.43	+2.38

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. Gross of fees, expenses and transaction costs, if any. If these fees, expenses and costs were included, 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. To obtain performance information to the most recent month-end, visit www.gmo.com.** 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.

Inception Date: 28-Dec-11

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.

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; 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. For a more complete discussion of these and other risks, please consult the Fund's Prospectus. **Performance Returns:** Annualized Returns may include the impact of purchase premiums and redemption fees. The GMO Trust funds are distributed in the United States by Funds Distributor LLC. GMO and Funds Distributor LLC are not affiliated.

Net Expense Ratio: 0.70%; Gross Expense Ratio: 0.70% Net Expense Ratio reflects the reduction of expenses from fee reimbursements. The fee reimbursements will continue until at least 30 June 2026. Elimination of this reimbursement will result in higher fees and lower performance. Gross Expense Ratio is equal to the Funds Total Annual Operating Expenses set forth in the Funds most recent prospectus dated 30 June 2025.

IMPORTANT INFORMATION

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.

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 GMO Trust funds are distributed in the United States by Funds Distributor LLC. GMO and Funds Distributor LLC are not affiliated.

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.

AMSTERDAM | BOSTON | LONDON | SAN FRANCISCO* | SINGAPORE | SYDNEY | TOKYO**

*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
**Representative Office