

QUARTERLY INVESTMENT REVIEW

Resource Transition Fund

Performance returns (USD)

ANNUALIZED RETURNS (QUARTER-END)	Quarter-End	YTD	1-Year	3-Year	5-Year	10-Year	Since Inception
Resource Transition Fund (net)	-7.34	-15.10	-21.77	-	-	-	-22.60
Resource Transition Fund (gross)	-7.14	-14.72	-21.08	-	-	-	-21.92
MSCI ACWI Commodity Producers ex-Energy	-0.05	-2.65	4.74	-	-	-	-2.37
Value Add	-7.29	-12.45	-26.51	-	-	-	-20.24

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. To obtain performance information to the most recent month-end, visit www.gmo.com.

MAJOR PERFORMANCE DRIVERS

The second quarter in global equities continued one of the most concentrated rallies of all time as market cap indices like MSCI ACWI hit historic highs. But ex-the magnificent 7, MSCI ACWI was close to flat for the quarter. At the same time, interest rate sentiment bounced all over the place. U.S. 10-year yields moved around an almost 50-basis-point range as Federal Reserve guidance continued to be hawkish but unemployment data looked supportive of looser policy. Copper prices rose but at a much slower pace than in the first quarter, iron ore was roughly flat and lithium generally fell again. The Wilderhill Clean Energy index ended down around 12%. Sentiment in clean energy turned increasingly negative in June, after a positive May, as it was weighed down by continued inventory issues, mixed signals on interest rate cuts, and a potential second Trump presidency. Against this backdrop, the Resource Transition portfolio was down for the quarter, underperforming the MSCI ACWI Commodity Producers ex-Energy index, which was flat.

Our Energy segment, roughly one-third of the portfolio, is essentially an off-benchmark position in Clean Energy. Unsurprisingly Clean Energy was the primary driver of negative returns given the broader headwinds for the sector. Within Clean Energy, Solar positions were the largest detractor from the group as investors punished those with exposure to European inventory cycles (SolarEdge, Enphase) or higher perceived interest rate risk (SunRun). After a quarter like this, it's important to remind ourselves that one can easily be swayed by myopic markets and equate short-term volatility with fundamental risk. These are companies with direct exposure to a market that is expected to grow gigawatts at 10-15% per year for the next decade and are not, critically, price takers along this road. These are primarily companies with a clear competitive moat that are very likely past any cyclical trough. And it wasn't all bad news! Investors were willing to reward those most exposed to U.S. onshoring and receiving real dollars from the U.S. Inflation Reduction Act, like First Solar. It was our strongest contributor for the quarter.

Inception Date: 15-Feb-23

Performance for the year of inception is less than a full calendar year. Returns shown for periods less than one year are not annualized.

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) Management and Operational Risk: The risk that GMO's investment techniques will fail to produce desired results. For a more complete discussion of these risks and others, please consult the Fund's prospectus. Annualized Returns may include the impact of purchase premiums and redemption fees. Returns shown for periods greater than one year are on an annualized basis.

If certain expenses were not reimbursed, performance would be lower. Transaction costs, if any, are paid to the fund to offset the cost of portfolio transactions to invest or raise cash. **Net Expense Ratio: 0.86%; Gross Expense Ratio: 0.94%** Net Expense Ratio reflects the reduction of expenses from fee reimbursements. The fee reimbursements will continue until at least June 30, 2025. 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 June 30, 2024.

QUARTERLY INVESTMENT REVIEW

MAJOR PERFORMANCE DRIVERS CONT.

Turning to our largest segment, Industrial Metals, performance was mixed. Within the Diversified Miners, Boliden was the standout helped by its copper and zinc exposure. Zinc prices rose materially over the quarter. Copper producers again performed well as prices continued to rise, driven significantly by Ivanhoe Mines. Given the magnitude of the rally, we have trimmed some of our copper positions this quarter. Platinum Group Metals miners notched a turnaround, mostly thanks to Impala Platinum, which was up 20%. Platinum has rallied in the face of a supply shortfall due to mine shut-downs and increased demand from non-EV car production. Lithium miners continued to face headwinds from slower growth in EV demand. We consider the "death of EVs" to be an overhyped phenomenon. Nearly one in five cars sold in 2023 was electric, according to IEA data. A temporary oversupply in the global EV market can have helpful consequences as OEMs lower prices, pushing EVs ever closer to that tipping point of price parity with internal combustion engines (they have already reached full lifecycle cost parity with ICE in countries with cheaper electricity). We continue to expect long-term EV penetration rates to rise and see a significant growth runway for those in its value chain, including very attractively priced lithium producers

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. In addition, valuations within the Clean Energy sector are now increasingly attractive.

Portfolio weights, as a percent of equity, for the positions mentioned were: SunRun(4.7%), SolarEdge (2.0%), Enphase (1.4%), Ivanhoe (7.4%), Impala Platinum (1.8%)

QUARTERLY INVESTMENT REVIEW

PRODUCT OVERVIEW

The GMO Resource Transition Fund seeks to generate total return by investing primarily in equities of companies in the resource transition sector. The Fund's benchmark is the MSCI ACWI Commodity Producers ex-Energy Index.

GMO's Focused Equity team believes that global population growth, the industrialization of emerging markets, and the clean energy transition will increase global demand for natural resources and that, given their finite supply, the prices of these resources will increase over time. The Strategy seeks to invest in the securities of companies that we believe will benefit from – and avoid companies we believe will be adversely affected by – this expected long-term rise in natural resource prices as well as the increasing demand for clean energy.

IMPORTANT INFORMATION

Comparator Index(es): The MSCI ACWI (All Country World) Commodity Producers ex-Energy Index is an independently maintained benchmark comprised of listed large and mid capitalization commodity producers within the global developed and emerging markets, excluding companies in the energy sector as defined by GICS. 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.

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.

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