RESOURCE TRANSITION STRATEGY

Quarterly Investment Review

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

	Quarter-End	*YTD*	*1-Year*	*3-Year*	*5-Year*	*10-Year*	*Since Inception*
Resource Transition Strategy (net)	18.13	18.13	90.21	4.85	-	-	3.72
Resource Transition Strategy (gross)	18.41	18.41	92.03	5.84	-	-	4.69
MSCI ACWI Commodity Producers ex-Energy	9.40	9.40	64.70	16.57	-	-	16.67
Value Add	+8.73	+8.73	+25.51	-11.71	-	-	-12.95

MAJOR PERFORMANCE DRIVERS

The first quarter of 2026 was upended by a sharp escalation in the U.S./Israeli conflict with Iran, resulting in significant damage to Middle Eastern energy infrastructure and a near-closure of the Strait of Hormuz. The immediate consequence was a dramatic surge in both oil and natural gas prices.

This shock quickly fed through into a second-round market response: resurgent fears of inflation, sharply at odds with the year's starting point, when investors expected steady central bank easing. As the war stretches on, third-order effects are becoming increasingly relevant – namely, will this lead to demand destruction and another recession, or indeed a stagflationary outcome?

While these dynamics will be critical to monitor as the year unfolds and are likely to be a tailwind for resource equities, another near-term implication has already become clear: renewed concern around energy security and the vulnerability of global energy systems to higher fossil fuel prices. In that environment, inexpensive, clean, and rapidly deployable alternatives — notably renewables and the supporting minerals like copper, lithium, and uranium — are likely to see a meaningful acceleration in demand. Against this backdrop, the Resource Transition portfolio was up for the quarter, outperforming the MSCI ACWI Commodity Producers ex-Energy Index.

RISKS

Risks associated with investing in the Strategy 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. This is not a complete list of risks associated with investing in the Strategy. Please contact GMO for more information.

Composite Inception Date: 28-Feb-23

Performance Returns: 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. To obtain performance information to the most recent month-end, visit www.gmo.com. **Performance data quoted represents past performance and is not predictive of future performance.** Net returns are presented after the deduction of a model advisory fee and incentive fee if applicable. These returns include transaction costs, commissions and withholding taxes on foreign income and capital gains and include the reinvestment of dividends and other income, as applicable. Fees paid by accounts within the composite may be higher or lower than the model fees used. Gross returns are presented gross of management fees and any incentive fees if applicable. These returns include transaction costs, commissions, withholding taxes on foreign income and capital gains and include the reinvestment of dividends and other income, as applicable. If management and incentive fees were deducted performance would be lower. For example, if, before fees, the strategy were to achieve a 10% annual rate of return above its hurdle rate each year for ten years, and an annual advisory fee of 1% and incentive fee of 20% of net returns above the hurdle rate were charged during that period, the resulting average annual net return (after the deduction of management and incentive fees) would be approximately 7.20%. **GMO LLC claims compliance with the Global Investment Performance Standards (GIPS®). A Global Investment Performance Standards (GIPS®) Composite Report is available at www.gmo.com by clicking the GIPS® Composite Report link in the documents section of the strategy page. GIPS® is a registered trademark owned by CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein. Actual fees are disclosed in Part 2 of GMO's Form ADV and are also available in each strategy's Composite Report.** 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.

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MAJOR PERFORMANCE DRIVERS CONT..

As these returns reflect, the first quarter was an excellent period to be a resource equity investor. Our off-benchmark position in clean energy was particularly helpful. Clean energy demand is likely to grow as the hunt for oil and gas substitutes amid geopolitical stress as well as growing recognition of the structural growth opportunities in areas such as biofuels. We were able to take some profit in some of our strongest performers, like Darling Ingredients and Neste. In contrast, after an incredible 2025, performance of the solar names was more subdued, giving us the opportunity to add to high-quality names like Sunrun and Array.

Within metals and minerals, performance was balanced between those minerals directly linked to renewable energy use (lithium, uranium), where performance was particularly strong, and those producers with a higher copper or iron ore exposure. From the diversified miners, it was a particularly strong quarter for Glencore, and we were able to take some profit on the position. Glencore has benefited from its remaining coal exposure and likely profits from its trading business as commodity market volatility spikes. In contrast, and reversing the pattern of recent quarters, gold prices flatlined, proving to be less of a downside hedge after such a significant run. Not holding gold producers this quarter was a boon.

Agriculture and timber positions delivered solid absolute returns but couldn't keep up with broader energy and metals markets.

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: Darling Ingredients (7.6%), Neste (3.6%), Sunrun (3.8%), Array (2.7%), and Glencore (6.7%)

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PRODUCT OVERVIEW

The GMO Resource Transition Strategy seeks to generate total return by investing primarily in equities of companies in the resource transition sector.

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.

The above information is based on a representative account in the Strategy selected because it has the fewest restrictions and best represents the implementation of the Strategy.

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