

# Climate Change Investment Fund

Year Ending December 31, 2019

## OVERVIEW:

The GMO Climate Change Investment Fund seeks to deliver high total return by investing in companies focused on climate change mitigation and adaptation.

## Performance (%)

Net of Fees, GBP	+21.48
Gross of Fees, GBP	+22.52
MSCI ACWI <sup>1</sup>	+21.71
<b>Value Added</b>	<b>+0.80</b>

## Major Performance Drivers

The GMO Climate Change Strategy performed well in 2019, roughly matching the performance of the strategy benchmark, MSCI All Country World Index (ACWI). As you dig beneath this surface more interesting details emerge. ACWI is a large cap, U.S.-dominated index, and as has typically been the case in recent years, U.S. large caps significantly outperformed other markets. Given that we had zero exposure to large cap U.S. equities and large allocations to areas that struggled in 2019, including non-U.S. markets (and emerging markets, in particular), small cap, and value, we were pleased to keep pace through strong stock selection.

### 2019 Contributors

- The portfolio's Clean Energy positions performed very well last year, ending the year up over 40%. Our solar positions more than doubled, and while our wind positions couldn't keep up with their solar cousins, they still gained almost 35% on the year.
- Among companies dedicated to helping the world adapt to the changing climate, our Water positions produced strong returns.
- Our positions in precision agriculture & farming delivered solid performance during the year.

### 2019 Detractors

- Our batteries & storage positions performed poorly as falling lithium prices hurt the lithium producers.
- Agriculture Productivity also fell as phosphate prices dropped to 10-year lows. Record Mississippi River flooding delayed plantings and limited fertilizer application.

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](http://www.gmo.com).

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 fund's prospectus. To obtain a prospectus please visit [www.gmo.com](http://www.gmo.com). Read the prospectus carefully before investing.

GMO UK Limited authorised and regulated by the Financial Conduct Authority Registered no 4658801 England. GMO Netherlands is a branch office of GMO UK Limited and is registered with the AFM.

# Climate Change Investment Fund

Year Ending December 31, 2019

---

<sup>1</sup> The MSCI ACWI (All Country World) Index (MSCI Standard Index Series, net of withholding tax) is an independently maintained and widely published index comprised of 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.