

# GMO CLIMATE CHANGE TRUST

## THE OPPORTUNITY

- We believe climate change is among the most important investment opportunities facing investors today. Exceptional opportunities for long-term investors abound in a world mobilizing to address climate change.
- Profitability associated with efforts to mitigate and adapt to climate change is largely independent of the global economy. Climate change investors benefit from this unique source of return which complements a traditional portfolio.
- The climate change sector, as we've defined it, remains a poorly understood, inefficiently priced sector. There are ample opportunities for value added through active management, a global approach, and a value discipline.

## OUR APPROACH

**Universe Targeted for Impact:** We focus on identifying business models that can monetize the secular growth from global efforts to combat climate change.

**Value Focus:** We believe that a value discipline is particularly important in this space. We combine GMO's proprietary valuation techniques with fundamental analysis to identify attractive opportunities.

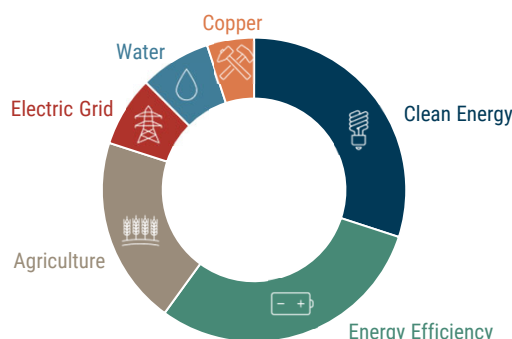
**Strategic Allocation:** Our strategic asset allocation promotes diversification among a variety of climate change sectors.

**Global Scope & GMO Investment Platform:** GMO has the global expertise to take advantage of attractive investment opportunities wherever they may be. We have a broad team of experienced investment professionals, including Jeremy Grantham, who contribute insight, ideas, and perspectives.

**Investing with Conviction:** As an independently owned private partnership, GMO's firmwide philosophy of investing with conviction over the long-term is consistent with success in the climate change sector.

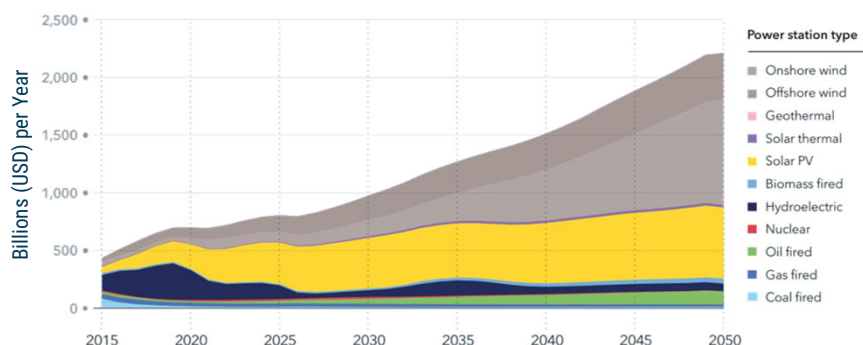
**ESG:** Environmental, Social, and Governance (ESG) factors are integrated holistically into our investment process.

## STRATEGIC ALLOCATION TARGETS



Source: GMO. Actual allocation targets set at a more granular level.

## PROJECTED GLOBAL INVESTMENTS BY POWER SECTOR



Source: DNV GL. Projections are subject to change and may vary significantly from the data shown.

## PORTFOLIO MANAGEMENT



**Lucas White, CFA**

- Joined GMO in 2006
- 26 yrs industry experience
- B.A. from Duke University



**Tom Hancock**

- Joined GMO in 1995
- 28 yrs industry experience
- Ph.D. from Harvard University



### GMO Climate Change Trust

Zenith has initiated coverage of the GMO Climate Change Trust and placed a Recommended rating on the fund.

## GMO CLIMATE CHANGE TRUST

Team Location	Boston
Inception Date	5 October 2021
Total Assets as of 31/12/23	\$63mm AUD
Benchmark	MSCI ACWI Index
Pricing Frequency	Daily
Liquidity	Daily
Distribution Frequency	Quarterly <sup>1</sup>
<b>Fees &amp; Other Costs</b>	
Management Fee	0.759% p.a. <sup>2</sup>
Buy/Sell Spread	0.30%
<b>Identifiers</b>	
APIR Code	GMO1979AU
Morningstar ID	F00001CQOQ
ISIN	AU60GMO19794

<sup>1</sup> Distributions are assessed on a quarterly basis.

<sup>2</sup> Inclusive of GST and net of any applicable Input Tax Credits and/or Reduced Input Tax Credits.



# GMO CLIMATE CHANGE TRUST

## EXPOSURE BY SEGMENT (%)

Segment	Exposure (%)
<b>Clean Energy</b>	<b>49.5</b>
Solar	19.3
Wind	3.8
Biofuels & Other Clean Energy	13.5
Power Generation	1.6
Batteries & Storage	11.3
<b>Electric Grid</b>	<b>7.1</b>
<b>Copper</b>	<b>8.1</b>
<b>Energy Efficiency</b>	<b>20.3</b>
Transportation	4.9
Buildings	2.0
Diversified Efficiency	5.2
Technology	8.2
<b>Agriculture</b>	<b>5.4</b>
Farming	1.7
Agricultural Productivity	1.2
Precision Agriculture	0.9
Timber	1.0
Fish Farming	0.5
<b>Water</b>	<b>5.0</b>
<b>Cash</b>	<b>4.6</b>

## COUNTRY WEIGHTS (%)

	Portfolio	Benchmark
United States	43.5	62.6
France	10.5	2.9
Canada	9.7	2.9
South Korea	6.0	1.4
Japan	4.6	5.4
Germany	3.9	2.1
Denmark	3.8	0.8
Mexico	2.2	0.3
Chile	1.9	0.1
Spain	1.9	0.6

## CHARACTERISTICS

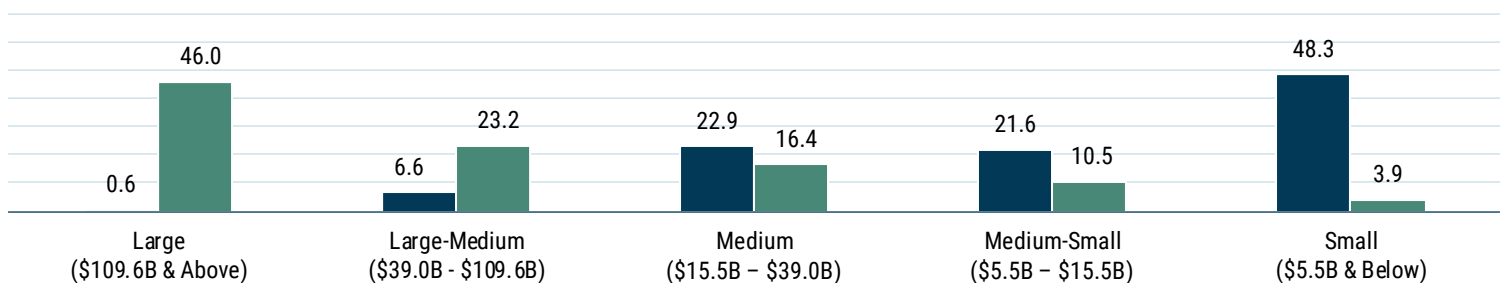
	Portfolio	Benchmark
Market Cap - Wtd Mdn Bil	5.7 USD	93.7 USD
Number of Equity Holdings	93	2,808
Price/Book - Hist 1 Yr Wtd Avg	1.7 x	2.9 x
Price/Cash Flow - Hist 1 Yr Wtd Mdn	11.9 x	18.1 x
Price/Earnings - Forecast 1 Yr Wtd Mdn	15.2 x	20.6 x

## TOP 5 HOLDINGS

Company	Country	Segment	% of Equity
Sunrun Inc	United States	Solar	7.3
SolarEdge Technologies Inc	United States	Solar	5.3
Darling Ingredients Inc	United States	Biofuels & Other Clean Energy	5.2
LG Chem Ltd	South Korea	Batteries & Storage	5.1
Ivanhoe Mines Ltd	Canada	Copper	4.4
<b>Total</b>			<b>27.3 %</b>

## MARKET CAP RANGES (%)

■ Trust ■ Benchmark



Portfolio holdings are percent of equity. Where applicable, the top holdings are derived by looking through to the underlying funds in which the asset allocation funds invest and, where appropriate, individual security positions are aggregated. They are subject to change and should not be considered a recommendation to buy individual securities.

# GMO CLIMATE CHANGE TRUST

## PERFORMANCE NET OF FEES (% , AUD)

	<i>MTD</i>	<i>QTD</i>	<i>YTD</i>	<i>1-Year</i>	<i>3-Year</i>	<i>5-Year</i>	<i>ITD</i>	<i>Inception</i>
Climate Change Trust	7.44	-1.33	-5.74	-5.74	-	-	-3.74	5/10/21
MSCI ACWI	1.84	5.02	21.45	21.45	-	-	5.78	

## ABOUT GMO

Founded in 1977, GMO is a global investment manager committed to delivering superior performance and advice to our clients. Our sole business is investment management, and we are privately owned, which allows us to maintain a singular focus on achieving outstanding long-term outcomes for our clients. Offering solutions across multi-asset class, equity, fixed income, and alternative strategies, we are grounded in a common philosophical belief that a long-term, valuation-based approach will maximize risk-adjusted returns. We also believe that material ESG factors will be determinants of success of the companies and countries in which we invest, and that integrating ESG into investment processes can improve our long-term results. Known for our willingness to challenge the status quo and our creative approach to investment problems, we candidly share our market views and take bold, differentiated portfolio positions when conditions warrant them.

## CONTACT US

For more information on this product please email us at [sydcst@gmo.com](mailto:sydcst@gmo.com) or reach out to your relationship manager.

**Visit our website at [gmo.com](http://gmo.com).**

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