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 third quarter brought no clear end to the conflict in Iran, or reopening of the Strait of Hormuz, and oil and gas prices rose again. Metals prices were more mixed; copper and uranium were up, while lithium fell significantly. Inflation concerns returned to the fore, with the U.S. 10-year yield rising from roughly 4.4% to 5.3%, a familiar headwind for capital-intensive industries such as renewable energy. Sentiment also turned against names linked to AI capex or AI infrastructure. Against this backdrop, the Resources portfolio was up but underperformed the oil and gas-heavy MSCI ACWI Commodity Producers Index.

Within the oil and gas portfolio, our higher beta names like Petrobras and Harbour Energy once again outperformed the broader sector by some way, harvesting this year's price changes. In fact, performance across both the integrated and exploration names was strong, highlighting good stock selection, but being underweight fossil fuels vs the benchmark hurt. An interesting opportunity is opening up in our U.S. natural gas producers (mostly Appalachian basin exposure). We have been adding to these positions as we can see long-term upside, particularly given the expected growth in LNG exports and the spread between U.S. natural gas prices and European gas prices.

Clean energy, a valuable diversifier in the past few quarters, had a tough third quarter as inflation worries returned. Solar was hardest hit despite these companies delivering strong earnings per share growth and constructive guidance over the quarter. Our analysis of solar projects highlights strong economics even under higher rates and the removal of tax credits. Our valuation discipline lets us lean into dislocations like these, positioning the portfolio for stronger long-term returns. Conversely, we have been trimming our biofuel positions, as several (Darling Ingredients, Neste) are up more than 60% year to date, along with our wind exposure (Vestas), which had a strong start to the quarter.

The metals portfolio mostly held its ground, with lithium and uranium the main detractors. Falling lithium prices hit our producers again, but nothing is broken in the thesis. The pace of demand growth from EVs and stationary energy storage is likely to outstrip supply even in a world of higher Chinese production. We saw irrational pricing in uranium, where spot and term prices rose, but uranium producers sold off. The irrationality is being driven by basket trading around AI-linked names, yet the uranium demand and supply imbalance over the next decade will have such a small link to AI growth that this has been a clear buying opportunity for Nexgen Energy and Paladin.

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: Petrobras (3.9%), Harbour Energy (3.4%), Darling Ingredients (3.2%), Neste (1.1%), Vestas (0.8%), Nexgen Energy (1.8%), Paladin 0.4%).

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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)	2.24	20.24	31.45	7.31	4.57	11.14	7.19
Resources Fund (gross)	2.41	20.86	32.36	8.07	5.32	11.94	7.98
MSCI ACWI Commodity Producers	12.94	24.13	34.18	15.79	15.68	10.27	5.56
Value Add	-10.71	-3.89	-2.73	-8.49	-11.11	+0.87	+1.63

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 2027. 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 2026.

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