

# QUARTERLY INVESTMENT REVIEW

## Resources UCITS Fund

### Performance returns (USD)

ANNUALIZED RETURNS (QUARTER-END)	Quarter-End	YTD	1-Year	3-Year	5-Year	10-Year	Since Inception
Resources UCITS Fund (net)	4.50	-2.11	-12.44	-4.62	-	-	-3.51
Resources UCITS Fund (gross)	4.70	-1.74	-11.77	-3.89	-	-	-2.77
MSCI ACWI Commodity Producers	-0.63	9.18	-1.01	7.43	-	-	9.09
Value Add	+5.13	-11.29	-11.42	-12.05	-	-	-12.60

Data Source: GMO

### MAJOR PERFORMANCE DRIVERS

The second quarter held no shortage of drama. It was really four seasons in one day as the quarter shrugged off a “liberation day”/tariff bear market, potential spreading of conflict in the Middle East, and into a risk-on rally, with global equities ending significantly higher. Commodity markets also oscillated wildly on geopolitics and tariffs, with copper and uranium both rising while oil and iron ore ended slightly down. In the case of oil, the round trip was particularly surprising as the threat of a broader war in the Middle East initially appeared significant. In addition, the energy sector dealt with “will they, won’t they” volatility created by the passage of President Trump’s landmark piece of legislation – the One Big Beautiful Bill Act (OBBBA). The final bill, despite removing some tax advantages for the energy industry, was not the worst case scenario many had feared with a material level of federal funding remaining in place across a range of technologies. Against this backdrop, the Resources portfolio was up, significantly outperforming the MSCI Commodity Producers index, which was down.

### 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.

Inception Date: 29-Mar-21

**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](http://www.gmo.com). **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.** 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. A dilution adjustment may be applied on a subscription or redemption of shares to reflect the costs of dealing in the Fund's assets. The return on investment in the Fund may increase or decrease as a result of currency fluctuations if an investor's investment is made in a currency other than that used in the past performance calculation. If the Fund holds assets in currencies other than the base currency of the Fund and/or you invest in a share class that is denominated in a different currency than the base currency of the Fund, subject to any hedging at share class or Fund level, the value of your investment may be impacted by changes in the relative prices of the relevant currencies. The use of financial derivative instruments by the Fund may result in increased gains or losses within the Fund. 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.

# QUARTERLY INVESTMENT REVIEW

## MAJOR PERFORMANCE DRIVERS CONT.

Our Energy segment drove all of the outperformance, due primarily to strong performance from our Clean Energy positions. Within our Oil & Gas portfolio, many producers had a tougher quarter of performance in part because of oil price volatility. Not owning Exxon and Chevron helped this quarter and there were bright spots across our portfolio like Galp, our biggest integrated producer position. Galp delivered strong production numbers, started getting output from a new project, and could demonstrate a de-risked exploration book. Earnings across our Clean Energy names were also generally strong, the majority reporting both revenue and earnings beats and being rewarded by significant share price re-ratings. In addition, policy headwinds have somewhat eased with the OBBBA getting passed and investor sentiment beginning to improve. Safe harboring provisions seem better for solar and wind projects than feared, although are still a little murky due to a subsequent executive order. This is broadly positive for solar names including our utility scale companies (NEXTracker, Array), residential solar installer SunRun, thin film solar panel manufacturer First Solar, and our wind turbine producer (Vestas). Carbon capture, nuclear, geothermal, hydro, and clean fuel provisions saw no material change or, if anything, an improvement under the bill, meaning there will continue to be a supportive tax credit environment. In addition to the implicit support from the new bill, the Biofuels portfolio also had one of its strongest quarters as two significant catalysts came to pass. First, the U.S. EPA is increasing its biomass-based biofuels demand by 67%, with a bias toward domestically produced biomass. Second, the California Air Resources Board (CARB) announced amendments to the low carbon fuel standards (LCFS) on July 1, 2025. The amendments require further decarbonization of transportation in California, either by using lower carbon intensity fuels like biofuels or through buying credits. This will create a tailwind for LCFS credit prices and that will significantly help biofuel margins.

Turning to the Metals and Diversified Miners portfolio, lower iron ore prices weighed on those with exposure. Conversely, skyrocketing platinum prices and higher uranium spot prices off the back of more positive government support for nuclear energy meant significant gains from our positions in each. We continued to trim our copper exposure, taking risk off the table given how distorted the market has become due to tariffs.

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 remain attractive, especially relative to expected earnings growth.

Portfolio weights, as a percent of equity, for the positions mentioned were: Exxon (0.0%), Chevron (0.0%), NEXTracker (0.9%), Array (1.7%), Sunrun (2.6%), Vestas (1.5%), First Solar (2.1%) Galp (4.3%).

# QUARTERLY INVESTMENT REVIEW

## PRODUCT OVERVIEW

The GMO Resources UCITS Fund seeks to generate total return by investing in equities in the natural resources sector.

GMO's Focused Equity team believes that the increasing demand for natural resources, driven primarily by population growth in and industrialization of emerging markets, coupled with the limited supply of these resources, favors an upward trend in resource prices over time. The Fund seeks to invest in the securities of companies that we believe will benefit from this expected long-term rise in natural resource prices.

**This is a marketing communication and a financial promotion. Past performance does not predict future returns.**

## IMPORTANT INFORMATION

**This is a marketing communication and a financial promotion. This is not a contractually binding document. An investor should consider all of the Fund's characteristics including the investment objectives, risks, charges and expenses before investing. This and other important information can be found in the Fund's prospectus and the KIID/PRIIPs KID. To obtain a prospectus and the KIID/PRIIPs KID please visit [www.gmo.com](http://www.gmo.com). Read the prospectus and the KIID/PRIIPs KID carefully before investing and do not base any final investment decision on this communication alone.**

**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 Fund is a sub-fund of GMO Investments ICAV, an umbrella fund with segregated liability between sub-funds, which is authorised by the Central Bank of Ireland (the "Central Bank") as a UCITS pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011, as amended. The authorisation of the ICAV is not an endorsement or guarantee of the ICAV by the Central Bank. Neither the Central Bank nor the UK's Financial Conduct Authority has approved and or takes responsibility for the contents of this document or for the financial soundness of the Fund or for the ICAV. THE ICAV is an EEA UCITS scheme which is recognised under Part 6 of The Collective Investment Schemes (Amendment etc.) (EU Exit) Regulations 2019, as amended.

GMO UK Limited Authorised and Regulated by the Financial Conduct Authority Registered no 4658801 England. GMO Netherlands is registered with the AFM.

The Fund has not been registered under the United States Investment Company Act of 1940, as amended, nor the U.S. Securities Act of 1933, as amended. None of the shares may be offered or sold, directly or indirectly, in the U.S. or to any U.S. Person, unless the securities are registered under the Act or an exemption from the registration requirements of the Act is available. A U.S. Person is defined as (a) any individual who is a citizen or resident of the U.S. for federal income tax purposes; (b) a corporation, partnership, or other entity created or organized under the laws of or existing in the U.S.; (c) an estate or trust the income of which is subject to U.S. federal income tax regardless of whether such income is effectively connected with a U.S. trade or business.

Investors and potential investors can also obtain the prospectus and key investor information, and a summary of investor rights and information on access to collective redress mechanisms, in English and local languages where the Fund is registered, under the Literature section at the following website:

<https://www.gmo.com/europe/product-index-page/equities/resources-strategy/resources-ucits-fund/>

Please note that the management company of the Fund may decide to terminate the arrangements made for the marketing of the Fund in one or more EU member states pursuant to the UCITS marketing passport in accordance with the procedure provided for under the applicable laws that implement Article 93a of Directive 2009/65/EC (the UCITS Directive).

A full list of fees and charges applied to investment can be found in the prospectus and in the KIID/PRIIPs KID, available at: <https://www.gmo.com/europe/product-index-page/equities/resources-strategy/resources-ucits-fund/>

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## 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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