

QUARTERLY INVESTMENT REVIEW

Resource Transition Strategy

Performance returns (USD)

ANNUALIZED RETURNS (QUARTER-END)	Quarter-End	YTD	1-Year	3-Year	5-Year	10-Year	Since Inception
Resource Transition Strategy (net)	11.17	1.80	-11.66	-	-	-	-16.62
Resource Transition Strategy (gross)	11.43	2.28	-10.82	-	-	-	-15.84
MSCI ACWI Commodity Producers ex-Energy	8.37	17.62	5.39	-	-	-	2.48
Value Add	+2.79	-15.81	-17.05	-	-	-	-19.10

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 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.

QUARTERLY INVESTMENT REVIEW

MAJOR PERFORMANCE DRIVERS CONT.

Earnings across our Clean Energy names were 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 are now increasingly attractive.

Portfolio weights, as a percent of equity, for the positions mentioned were: NEXTracker (1.6%), Array (2.8%), Sunrun (4.3%), First Solar (3.5%), Vestas (2.6%).

QUARTERLY INVESTMENT REVIEW

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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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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