

CLIMATE CHANGE STRATEGY

Quarterly Investment Review

ANNUALIZED RETURNS (USD, %) (QUARTER-END)

	<i>Quarter-End</i>	<i>YTD</i>	<i>1-Year</i>	<i>3-Year</i>	<i>5-Year</i>	<i>10-Year</i>	<i>Since Inception</i>
Climate Change Strategy (net)	9.57	9.57	69.55	-0.09	-0.54	-	7.77
Climate Change Strategy (gross)	9.79	9.79	70.97	0.74	0.27	-	8.64
MSCI ACWI	-3.20	-3.20	20.01	16.58	9.49	-	10.84
Value Add	+12.77	+12.77	+49.54	-16.67	-10.03	-	-3.08

MAJOR PERFORMANCE DRIVERS

The first quarter of 2026 was upended by a sharp escalation in U.S./Israeli conflict with Iran, resulting in significant damage to Middle Eastern energy infrastructure and a near-closure of the Strait of Hormuz. The immediate consequence was a dramatic surge in both oil and natural gas prices.

This shock quickly fed through into a second-round market response: resurgent fears of inflation, sharply at odds with the year's starting point, when investors expected steady central bank easing. As the war stretches on, third-order effects are becoming increasingly relevant – namely, will this lead to demand destruction and another recession, or indeed a stagflationary outcome? While these dynamics will be critical to monitor as the year unfolds, one near-term implication has already become clear and highly relevant for this portfolio: renewed concern around energy security and the vulnerability of global energy systems to higher fossil fuel prices. In that environment, inexpensive, clean, and rapidly deployable alternatives – notably renewables and electrification solutions such as electric vehicles – are likely to see a meaningful acceleration in demand. Against this backdrop, the Climate Change portfolio was up, outperforming the MSCI ACWI Index (which fell) by more than 10%.

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) 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; and (3) Management and Operational Risk: the risk that GMO's investment techniques will fail to produce desired results, including annualized returns and annualized volatility. This is not a complete list of risks associated with investing in the Strategy. Please contact GMO for more information.

Composite Inception Date: 30-Apr-17

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.

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MAJOR PERFORMANCE DRIVERS CONT..

Our clean energy portfolio banked another excellent quarter. Biofuels, energy storage, nuclear, and power generation all delivered double-digit returns in a down market for broader equities. Value chains saw related moves too, as lithium and uranium prices pushed up. While part of this reflected heightened demand for fossil fuel substitutes amid geopolitical stress, it also signaled growing recognition of the structural growth opportunities in areas such as biofuels and energy storage. We were able to take some profit in some of our strongest performers, like Darling Ingredients and Neste (both biofuel companies). In contrast, after an incredible 2025, performance of the solar names was more subdued, giving us the opportunity to add to high-quality names like Sunrun and Array.

Beyond energy generation, our energy efficiency and electric grid portfolios continued to benefit from growing electricity demand. This quarter, these areas were also a focus of HALO-type (heavy asset, low obsolescence) trades. Investors are searching for industries less likely to be disrupted by AI, yet still with potential for earnings growth. These dynamics were particularly relevant for the grid utilities portfolio, up close to 11% for the quarter.

In contrast, our agriculture and timber positions also added incrementally, although thanks to more idiosyncratic drivers. Strong earnings results from AGCO, reflecting resilient demand for agricultural equipment, and from Corteva, supported by solid execution in seeds, provided incremental gains.

As the world makes the transition to cleaner, renewable energy and economies grapple with electrification and climate change adaptation, we continue to believe this portfolio is well-positioned to benefit. The Climate Change portfolio continues to trade at a discount to broader global equities, despite superior growth prospects, indicating substantial upside to come for patient capital.

Portfolio weights, as a percent of equity, for the positions mentioned were: Darling Ingredients (5.5%), Neste (2.5%), Sunrun (4.5%), Array (3.5%), AGCO (1.1%), Corteva (0.9%)

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PRODUCT OVERVIEW

The GMO Climate Change Strategy seeks to deliver high total return by investing primarily in equities of companies GMO believes are positioned to benefit, directly or indirectly, from efforts to curb or mitigate the long-term effects of global climate change, to address the environmental challenges presented by global climate change, or to help the world adapt to climate change through improved efficiency of resource consumption. The Strategy invests globally across the capitalization spectrum, which allows GMO to pursue attractive investment opportunities wherever they may be.

The Focused Equity team believes exceptional opportunities for long-term investors abound in a world mobilizing to address climate change, and profitability associated with efforts to mitigate and adapt to climate change is largely independent of the global economy. Climate change investors can benefit from this unique, diversifying source of return, historically available at attractive valuations given the secular tailwinds of change.

IMPORTANT INFORMATION

Comparator Index(es): 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. Please visit <https://www.gmo.com/americas/benchmark-disclaimers/> to review the complete benchmark disclaimer notice.

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.

For private bank intermediaries in Singapore and Hong Kong, these materials are intended for institutional and Accredited/Professional Investors Use Only.

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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*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

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