

## CLIMATE CHANGE TRANSITION INVESTMENT FUND

## Quarterly Investment Review

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

	Quarter-End	YTD	1-Year	3-Year	5-Year	10-Year	Since Inception
Climate Change Transition Investment Fund (net)	11.90	11.90	66.15	-2.35	0.29	-	6.53
Climate Change Transition Investment Fund (gross)	12.13	12.13	67.49	-1.52	1.14	-	7.45
MSCI ACWI	-1.27	-1.27	17.47	14.10	10.48	-	10.72
Value Add	+13.17	+13.17	+48.68	-16.45	-10.19	-	-4.19

Data Source: GMO

## 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 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) 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. For a more complete discussion of these and other risks, please consult the Fund's Prospectus.

Inception Date: 14-Mar-18

**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. Formerly Climate Change Investment 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.

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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 Transition Investment Fund seeks to generate 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. We invest globally across the capitalization spectrum, which allows us to identify attractive investment opportunities wherever they may be.

We are seeing 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.

**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) 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 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/climate-change-strategy/climate-change-investment-fund--ccuf/>

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/climate-change-strategy/climate-change-investment-fund--ccuf/>

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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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