

## RESOURCES

## OVERVIEW

The GMO Resources Strategy seeks to generate total return by investing in equities in the natural resources sector. The Strategy's benchmark is the MSCI All Country World Commodities Index.

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 Strategy seeks to invest in the securities of companies that we believe will benefit from this expected long-term rise in natural resource prices.

## FACTS

Strategy Inception	28-Dec-11
Composite Inception	31-Dec-11
Total Assets	\$2.4bn USD
Index	MSCI ACWI Commodity Producers

## CUMULATIVE TOTAL RETURNS (USD, NET OF FEES, %)

	<i>MTD</i>	<i>QTD</i>	<i>YTD</i>	<i>2023</i>	<i>2022</i>	<i>2021</i>	<i>2020</i>	<i>2019</i>
Composite	-0.86	-10.19	-10.19	-1.36	-0.30	22.73	22.53	20.31
Index	-0.04	-3.49	-3.49	3.64	21.08	28.14	-12.32	13.06

## RISK PROFILE (5-YEAR TRAILING)

Alpha (Jensen's)	0.67
Beta	1.03
R Squared	0.86
Sharpe Ratio	0.19
Standard Deviation	27.86

## ANNUALIZED TOTAL RETURNS (USD, NET OF FEES, %)

	<i>1 Year</i>	<i>3 Years</i>	<i>5 Years</i>	<i>10 Years</i>	<i>ITD</i>
Composite	-12.97	-0.88	7.37	6.02	6.03
Index	0.91	11.57	6.56	2.71	2.57

## PORTFOLIO MANAGEMENT



Lucas White, CFA  
Joined GMO in 2006  
BA, Duke University



Tom Hancock  
Joined GMO in 1995  
MS, Rensselaer Polytechnic  
Institute; PhD, Harvard  
University

**Risks:** Risks associated with investing in the Strategy may include Focused Investment Risk, Commodities Risk, Market Risk - Equities, Management and Operational Risk, and Non-U.S. Investment Risk. 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 Returns:** 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. **GMO LLC claims compliance with the Global Investment Performance Standards (GIPS®).** A Global Investment Performance Standards (GIPS®) Composite Report is available on [GMO.com](http://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 not managed relative to a benchmark. References to an index are for informational purposes only.

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## CHARACTERISTICS

	<i>Portfolio</i>	<i>Index</i>
Price/Earnings - Forecast 1 Yr Wtd Mdn	10.7x	11.7x
Price/Book - Hist 1 Yr Wtd Avg	1.4x	1.5x
Price/Cash Flow - Hist 1 Yr Wtd Mdn	5.9x	6.8x
Return on Equity - Hist 1 Yr Mdn	15.4%	18.0%
Dividend Yield - Hist 1 Yr Wtd Avg	3.9%	4.5%
Market Cap - Wtd Mdn Bil	6.9 USD	49.7 USD
Number of Equity Holdings	105	210

## TOP COUNTRIES (%)

<i>Country</i>	<i>Portfolio</i>	<i>Index</i>
United States	32.2	42.3
United Kingdom	13.0	13.5
Canada	10.4	10.5
Brazil	10.3	3.9
Portugal	3.5	0.2
Cash	3.1	0.0
Norway	2.6	1.2
Italy	2.2	1.0
South Africa	2.1	1.1
Spain	2.1	0.6

## EXPOSURE BY SEGMENT (%)

<i>Segment</i>	<i>Exposure</i>
<b>Energy</b>	<b>59.2</b>
Fossil Fuels	39.5
Solar	7.9
Wind	1.0
Biofuels & Other Clean Energy	9.7
Energy Equipment & Services	1.0
<b>Industrial Metals</b>	<b>30.2</b>
Diversified Metals & Mining	16.3
Copper	8.3
Lithium	3.8
Platinum Group Metals	1.8
<b>Agriculture</b>	<b>3.9</b>
<b>Timber</b>	<b>1.1</b>
<b>Water</b>	<b>2.6</b>
<b>[Cash]</b>	<b>3.1</b>

## SECTORS (%)

<i>Sector</i>	<i>Portfolio</i>	<i>Index</i>
Consumer Staples	6.4	1.8
Energy	45.6	62.8
Industrials	9.9	0.0
Information Technology	5.2	0.0
Materials	30.8	35.4
Real Estate	0.7	0.0
Utilities	1.4	0.0

## TOP HOLDINGS

<i>Company</i>	<i>Country</i>	<i>Segment</i>	<i>%</i>
Kosmos Energy Ltd	United States	Fossil Fuels	5.7
Darling Ingredients Inc	United States	Biofuels & Other Clean Energy	4.5
Ivanhoe Mines Ltd	Canada	Copper	4.2
Glencore PLC	United Kingdom	Diversified Metals & Mining	4.2
BP PLC	United Kingdom	Fossil Fuels	3.8
Petroleo Brasileiro SA	Brazil	Fossil Fuels	3.6
Galp Energia SGPS SA	Portugal	Fossil Fuels	3.6
Bradespar SA	Brazil	Diversified Metals & Mining	3.3
ConocoPhillips	United States	Fossil Fuels	3.2
Shell PLC	United Kingdom	Fossil Fuels	3.2
<b>Total</b>			<b>39.1</b>

## REGIONS (%)

<i>Region</i>	<i>Portfolio</i>	<i>Index</i>
United States	32.2	42.3
Emerging	19.5	14.3
Europe ex UK (Developed)	17.2	9.3
Other International	14.1	19.2
United Kingdom	13.0	13.5
Cash Equivalents	3.1	0.0
Japan	0.8	1.5

## MARKET CAP BAND EXPOSURES (\$B)

	<i>Portfolio</i>	<i>Index</i>
Small (5.4 & Below)	35.7	5.0
Small - Medium (5.4 To 15.8)	28.9	15.4
Medium (15.8 To 40.7)	15.1	24.6
Medium - Large (40.7 To 113.2)	12.7	17.4
Large (113.2 & Above)	7.6	37.7

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### IMPORTANT INFORMATION

**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 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.**

### GLOSSARY

**Risk Statistics:** Risk profile data is net of fees. Alpha is a measure of risk-adjusted return. Beta is a measure of a portfolio's sensitivity to the market. R-Squared is a measure of how well a portfolio tracks the market. Sharpe Ratio is the return over the risk free rate per unit of risk. Std Deviation is a measure of the volatility of a portfolio.

**Sector Exposures:** The Global Industry Classification Standard (GICS) is the exclusive intellectual property of MSCI Inc. (MSCI) and Standard & Poor's, a division of The McGraw-Hill Companies, Inc. (S&P). Neither MSCI, S&P, nor any third party makes any representations or warranties, express or implied, with respect to GICS or the results to be obtained by the use thereof, and expressly disclaim all warranties, including of merchantability and fitness for a particular purpose. Neither MSCI, S&P, nor any third party shall have any liability for any damages of any kind relating to the use of GICS.

**Top Holdings:** Portfolio holdings are percent of equity. Where applicable, the top holdings are derived by looking through to the underlying portfolios in which the asset allocation strategy invests and, where appropriate, individual security positions are aggregated. They are subject to change and should not be considered a recommendation to buy individual securities. This portfolio continues to hold de minimis Russian exposure as a result of past positioning and ongoing illiquidity. GMO has suspended net new purchases of Russian securities firm-wide.

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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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