GMO
EVENT HIGHLIGHTS

THE GOOD THING ABOUT CLIMATE CHANGE: 5 YEARS ON

Lucas White | April 28, 2022

OVERVIEW

GMO launched the Climate Change Strategy five years ago on the back of extensive research conducted by Lucas White and Jeremey Grantham. The paper they co-wrote at the time was titled "The Good Thing About Climate Change: Opportunities." During this webcast, Lucas White looks back at the opportunities we have seen in the last five years and discusses the favorable outlook for climate change investors today.

KEY POINTS

- After five years of strong performance, we continue to find attractively priced investment opportunities in our climate change universe. Despite the strong growth of the sector, many stocks continue to trade at a healthy discount to the overall market.
- The world is mobilizing to address climate change and the energy transition is already underway, and likely to play out over several decades. This remains a poorly understood area of the market presenting strong investment and alpha opportunities.
- The existence of secular growth does not make investing easy. GMO's value discipline has helped deliver strong returns to our investors while identifying companies engaged in climate change mitigation and adaptation.
- The current discount to the market is below both where we started and the average discount we have seen over the last five years.
- GMO has a unique strategy that is well positioned to capitalize on these opportunities and has outperformed its benchmark handsomely since its inception 5 years ago.

OUR STRATEGY CONTINUES TO TRADE AT A DISCOUNT TO THE MARKET

Valuation of GMO Climate Change Strategy relative to MSCI ACWI

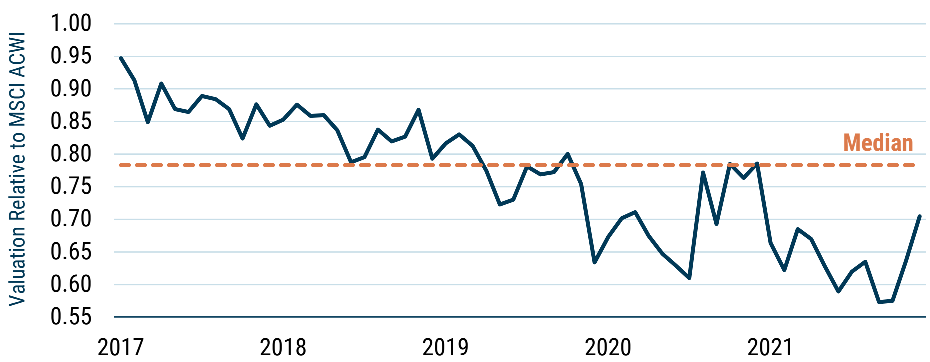

Chart note
As of 3/31/2022 | Source: IBES, MSCI, GMO
Valuation metric is price/forward earnings. MSCI data may not be reproduced or used for any other purpose. MSCI provides no warranties, has not prepared or approved this report, and has no liability hereunder. Please visit https://www.gmo.com/americas/benchmark-disclaimers/ to review the complete benchmark disclaimer notice.

Lucas White

Mr. White is the portfolio manager for the Resources and Climate Change Strategies. He is a member of GMO's Focused Equity team and a partner of the firm. Previously at GMO, he was engaged in portfolio management for the Global Equity team, including responsibilities for the Quality, Tactical Opportunities, and U.S. Growth Strategies. Prior to joining GMO in 2006, he worked at Standish Mellon Asset Management and MFS. Mr. White earned his B.A. in Economics and Psychology from Duke University. He is a CFA charterholder.

Disclaimer

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RELATED STRATEGIES

Please click on the links below to access strategies related to this event.

- Climate Change Strategy

RELATED RESEARCH

Please click on the links below to access research related to this event.

- The Good Thing About Climate Change: Opportunities
- Thinking Outside the Box: How and Why to Invest in a Climate Change Strategy
- Biofuels Poised to Make Major Impact: Capitalizing on Decarbonization
- Year-End Letter for 2021: Climate Change Strategy