

## RESOURCES

## OVERVIEW

The GMO Resources Strategy seeks to deliver total return by investing in the equities of companies in the natural resources sector. Long-term supply and demand dynamics in natural resource markets favor upward price trends – demand growth is being driven by population growth and the development of emerging markets, while supplies of cheap, easy to access natural resources are declining. To harness this trend, we focus on identifying companies in public equity markets that we believe will benefit from a broad rise in resource prices, across a diversified portfolio of energy, metals, agriculture, and water.

We can invest globally across the capitalization spectrum, including emerging markets, which allows us to identify attractive investment opportunities wherever they may be.

## 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	-4.96	-4.96	-12.66	-1.37	-0.30	22.73	22.53	20.31
Index	-3.04	-3.04	1.64	3.64	21.08	28.14	-12.32	13.06

## 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	-1.97	-5.95	7.40	6.23	5.47
Index	6.88	8.71	9.04	3.74	2.85

## FACTS

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

## RISK PROFILE (5-YEAR TRAILING)

Alpha (Jensen's)	-1.87
Beta	1.04
R Squared	0.85
Sharpe Ratio	0.18
Standard Deviation	27.61

## 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: (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. (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. For a more complete discussion of these risks and others, please consult the Fund's offering documents. This is not a complete list of risks associated with investing in the Strategy. Please contact GMO for more information. **Performance Returns:** 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 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.

## RESOURCES

## CHARACTERISTICS

	<i>Portfolio</i>	<i>Index</i>
Price/Earnings - Forecast 1 Yr Wtd Mdn	10.7x	12.9x
Price/Book - Hist 1 Yr Wtd Avg	1.4x	1.5x
Price/Cash Flow - Hist 1 Yr Wtd Mdn	5.8x	6.9x
Return on Equity - Hist 1 Yr Mdn	9.1%	14.4%
Dividend Yield - Hist 1 Yr Wtd Avg	3.4%	3.9%
Market Cap - Wtd Mdn Bil	6.7 USD	54.2 USD
Number of Equity Holdings	101	195

## TOP COUNTRIES (%)

<i>Country</i>	<i>Portfolio</i>	<i>Index</i>
United States	34.6	42.5
United Kingdom	12.8	13.3
Brazil	10.2	3.0
Canada	10.0	12.2
Mexico	4.9	0.5
Argentina	3.4	0.0
Norway	3.3	1.1
Chile	2.5	0.0
Portugal	2.5	0.2
Sweden	2.1	0.5

## EXPOSURE BY SEGMENT (%)

<i>Segment</i>	<i>Exposure</i>
<b>Energy</b>	<b>61.3</b>
Fossil Fuels	40.4
Solar	7.8
Biofuels	9.7
Other Clean Energy	1.6
Energy Equipment & Services	1.9
<b>Industrial Metals</b>	<b>30.5</b>
Diversified Metals & Mining	15.9
Copper	10.1
Lithium	3.8
Platinum Group Metals	0.7
<b>Agriculture</b>	<b>4.2</b>
<b>Timber</b>	<b>1.0</b>
<b>Water</b>	<b>2.6</b>
<b>[Cash]</b>	<b>0.4</b>

## SECTORS (%)

<i>Sector</i>	<i>Portfolio</i>	<i>Index</i>
Consumer Staples	5.5	1.5
Energy	47.3	61.8
Industrials	9.3	0.0
Information Technology	2.9	0.0
Materials	32.7	36.7
Real Estate	0.2	0.0
Utilities	2.1	0.0

## TOP HOLDINGS

<i>Company</i>	<i>Country</i>	<i>Segment</i>	<i>%</i>
Kosmos Energy Ltd	United States	Fossil Fuels	4.6
Ivanhoe Mines Ltd	Canada	Copper	4.5
Darling Ingredients Inc	United States	Biofuels	4.0
BP PLC	United Kingdom	Fossil Fuels	3.9
Glencore PLC	United Kingdom	Diversified Metals & Mining	3.6
Petroleo Brasileiro SA	Brazil	Fossil Fuels	3.4
Bradespar SA	Brazil	Diversified Metals & Mining	3.0
Shell PLC	United Kingdom	Fossil Fuels	3.0
YPF SA	Argentina	Fossil Fuels	2.9
ConocoPhillips	United States	Fossil Fuels	2.7
<b>Total</b>			<b>35.6</b>

## REGIONS (%)

<i>Region</i>	<i>Portfolio</i>	<i>Index</i>
United States	34.6	42.5
Emerging	23.9	14.7
Europe ex UK (Developed)	16.2	8.3
United Kingdom	12.8	13.3
Other International	11.8	20.0
Cash Equivalents	0.4	0.0
Japan	0.3	1.2

## MARKET CAP BAND EXPOSURES (\$B)

	<i>Portfolio</i>	<i>Index</i>
Small (5.5 & Below)	40.8	5.0
Small - Medium (5.5 To 16.4)	28.8	16.0
Medium (16.4 To 43.4)	13.5	25.6
Medium - Large (43.4 To 119.4)	10.1	14.4
Large (119.4 & Above)	6.7	39.0

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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.

AMSTERDAM

BOSTON

LONDON

SAN FRANCISCO\*

SINGAPORE

SYDNEY

TOKYO\*\*

\*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

\*\*Representative Office