

## CLIMATE CHANGE

## OVERVIEW

The Trust 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, diversifying source of return, historically available at attractive valuations given the secular tailwinds of change.

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

	<i>MTD</i>	<i>QTD</i>	<i>YTD</i>	<i>2023</i>	<i>2022</i>	<i>2021</i>
Portfolio	4.59	-0.43	-2.36	-5.74	-4.12	1.61
Index	1.60	-1.23	11.71	21.45	-12.48	6.68

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

	<i>1 Year</i>	<i>3 Years</i>	<i>5 Years</i>	<i>10 Years</i>	<i>ITD</i>
Portfolio	-11.84	-	-	-	-4.03
Index	20.23	-	-	-	9.32

## FACTS

APIR Code	GMO1979AU
ISIN	AU60GMO19794
Inception	5-Oct-21
Total Assets	\$71mm AUD
Management Fee	0.759% p.a.
Buy/Sell Spread	0.30%
Pricing Frequency	Daily
Distribution Frequency	Quarterly
Liquidity	Daily
Index	MSCI ACWI

## RISK PROFILE (SINCE INCEPTION 29-OCT-21)

Alpha (Jensen's)	-16.30
Beta	1.11
R Squared	0.32
Sharpe Ratio	-0.42
Standard Deviation	22.43

## 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 Trust are as follows: (1) Focused Investment Risk: Because the Trust focuses its investments in securities of companies involved in climate change-related industries, the Trust will be more susceptible to events or factors affecting these companies, and the market prices of its portfolio securities may be more volatile than those of trusts that are more diversified. (2) Market Risk - Equities: The market price of an equity may decline due to factors affecting the issuer or its industry or the economy and equity markets generally. Declines in stock market prices generally are likely to reduce the net asset value of the Trust's shares. (3) Management and Operational Risk: The Trust runs the risk that GMO's investment techniques will fail to produce desired results. For a more complete discussion of these risks and others, please consult the Trusts Information Memorandum or Product Disclosure Statement. 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:** Net returns are presented after the deduction of management fees and incentive fees 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. **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.** The portfolio is not managed relative to a benchmark. References to an index are for informational purposes only. Buy/Sell Spread: Entry/ Exit Transaction Cost Allowance. Distribution Frequency: Distributions are assessed on a quarterly basis. Management Fees: Inclusive of GST and net of any applicable Input Tax Credits and/or Reduced Input Tax Credits.

## CLIMATE CHANGE

## CHARACTERISTICS

	<i>Portfolio</i>	<i>Index</i>
Price/Earnings - Forecast 1 Yr Wtd Mdn	17.4x	21.5x
Price/Book - Hist 1 Yr Wtd Avg	1.7x	3.0x
Price/Cash Flow - Hist 1 Yr Wtd Mdn	13.9x	18.8x
Market Cap - Wtd Mdn Bil	6.4 USD	104.3 USD
Number of Equity Holdings	102	2723

## TOP COUNTRIES (%)

<i>Country</i>	<i>Portfolio</i>	<i>Index</i>
United States	47.5	63.8
France	12.0	2.8
Canada	7.4	2.7
South Korea	6.1	1.2
Japan	3.9	5.3
Germany	3.3	2.0
Cash	3.1	0.0
Spain	2.9	0.6
Chile	1.9	0.0
Mexico	1.9	0.3

## EXPOSURE BY SEGMENT (%)

<i>Segment</i>	<i>Exposure</i>
<b>Clean Energy</b>	<b>46.3</b>
Solar	17.3
Wind	1.0
Biofuels & Other Clean Energy	15.7
Power Generation	1.9
Batteries & Storage	10.6
<b>Electric Grid</b>	<b>8.7</b>
<b>Copper</b>	<b>7.7</b>
<b>Energy Efficiency</b>	<b>21.3</b>
Transportation	5.5
Buildings	3.8
Diversified Efficiency	4.0
Technology	7.9
<b>Agriculture</b>	<b>4.8</b>
<b>Timber</b>	<b>1.5</b>
<b>Water</b>	<b>6.6</b>
<b>[Cash]</b>	<b>3.1</b>

## SECTORS (%)

<i>Sector</i>	<i>Portfolio</i>	<i>Index</i>
Communication Services	0.0	7.8
Consumer Discretionary	4.1	10.5
Consumer Staples	7.0	6.5
Energy	7.3	4.5
Financials	0.0	16.0
Health Care	0.0	10.9
Industrials	36.8	10.7
Information Technology	18.0	24.1
Materials	17.3	4.2
Real Estate	1.1	2.1
Utilities	8.4	2.7

## TOP HOLDINGS

<i>Company</i>	<i>Country</i>	<i>Segment</i>	<i>%</i>
Sunrun Inc	United States	Solar	6.5
Nexans SA	France	Electric Grid	4.9
Darling Ingredients Inc	United States	Biofuels & Other Clean Energy	4.7
Ivanhoe Mines Ltd	Canada	Copper	4.6
LG Chem Ltd	Korea	Batteries & Storage	4.3
SolarEdge Technologies Inc	United States	Solar	4.2
Ameresco Inc	United States	Biofuels & Other Clean Energy	3.6
Valeo SE	France	Transportation	2.5
Veolia Environnement SA	France	Water	2.5
Green Plains Inc	United States	Biofuels & Other Clean Energy	2.3
<b>Total</b>			<b>40.0</b>

## REGIONS (%)

<i>Region</i>	<i>Portfolio</i>	<i>Index</i>
United States	47.5	63.8
Europe ex UK (Developed)	25.9	12.1
Emerging	11.5	10.0
Other International	7.6	5.3
Japan	3.9	5.3
Cash Equivalents	3.1	0.0
United Kingdom	0.5	3.6

## MARKET CAP BAND EXPOSURES (\$B)

	<i>Portfolio</i>	<i>Index</i>
Small (5.5 & Below)	43.3	3.5
Small - Medium (5.5 To 16.0)	30.4	9.8
Medium (16.0 To 40.5)	18.9	15.8
Medium - Large (40.5 To 116.6)	6.9	22.9
Large (116.6 & Above)	0.5	48.0

# CLIMATE CHANGE

## IMPORTANT INFORMATION

**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 Trust accepts investments from wholesale investors only. Retail investors are not able to directly invest in the Trust but may gain exposure to the Trusts by investing with certain investor directed portfolio services, master trusts, wrap accounts or custodians ("services"). GMO Australia Limited, GMO LLC, and their affiliates, do not guarantee the performance of the Trust or the repayment of an investor's capital. This information is of a general nature only and is not advice. It does not take into account the objectives, financial situation or needs of any specific investor. The offer to invest in the Trust for wholesale investors is contained in the current information memorandum. A Product Disclosure Statement ("PDS") is also available solely for use by retail investors gaining exposure to the Trust through a service. A Target Market Determination (TMD) has also been prepared for the Trust. The information memorandum PDS and TMD can be obtained by visiting our website [www.gmo.com](http://www.gmo.com). Investors should read the information memorandum or PDS, consider their own circumstances, and obtain their own advice before making an investment decision.

## GLOSSARY

**Country Exposures:** 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.

**Currency Exposures:** 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.

**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 funds in which the asset allocation funds invest and, where appropriate, individual security positions are aggregated. They are subject to change and should not be considered a recommendation to buy individual securities.

## 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

[www.GMO.com](http://www.GMO.com)