

# RESOURCE TRANSITION

## OVERVIEW

The GMO Resource Transition Fund seeks to generate total return by investing primarily in equities of companies in the resource transition sector.

GMO's Focused Equity team believes that global population growth, the industrialization of emerging markets, and the clean energy transition will increase global demand for natural resources and that, given their finite supply, the prices of these resources will increase over time. The Strategy seeks to invest in the securities of companies that we believe will benefit from – and avoid companies we believe will be adversely affected by – this expected long-term rise in natural resource prices as well as the increasing demand for clean energy.

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

	MTD	QTD	YTD	2024	2023
Class VI	-8.59	-6.17	-6.17	-26.24	-17.12
Index	-0.62	5.07	5.07	-12.77	-0.59

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

	1 Year	3 Years	5 Years	10 Years	ITD
Class VI	-18.78	-	-	-	-23.88
Index	2.01	-	-	-	-4.47

## STANDARDIZED SEC RETURNS (USD, NET OF FEES, %)(AS OF 30-SEP-24)

	1 Year	3 Years	5 Years	10 Years	ITD
Class VI	-6.41	-	-	-	-16.12
Index	14.92	-	-	-	2.83

## FACTS

Share Class	Class VI
Share Class Ticker	GMOYX
Share Class Inception	15-Feb-23
Fund Inception	15-Feb-23
Total Assets	\$96mm USD
Index	MSCI ACWI Commodity Producers ex-Energy

## RISK PROFILE (SINCE INCEPTION 28-FEB-23)

Alpha (Jensen's)	-18.14
Beta	1.17
R Squared	0.79
Sharpe Ratio	-1.07
Standard Deviation	25.83

## ANNUAL EXPENSES (%)

Net Expense Ratio	0.86
Gross Expense Ratio	0.94

**Net Expense Ratio** reflects the reduction of expenses from fee reimbursements. The fee reimbursements will continue until at least June 30, 2025. Elimination of this reimbursement will result in higher fees and lower performance.

**Gross Expense Ratio** is equal to the Funds Total Annual Operating Expenses set forth in the Funds most recent prospectus dated June 30, 2024.

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.

**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. To obtain performance information to the most recent month-end, visit [www.gmo.com](http://www.gmo.com).** The portfolio is actively-managed, is not managed relative to a benchmark and uses the Index for performance comparison purposes only and, where applicable, to compute a performance fee.

**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) 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; 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. **Performance Returns:** Returns shown for periods greater than one year are on an annualized basis. Annualized Returns may include the impact of purchase premiums and redemption fees. The GMO Trust funds are distributed in the United States by Funds Distributor LLC. GMO and Funds Distributor LLC are not affiliated.

## 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

## RESOURCE TRANSITION

## CHARACTERISTICS

	<i>Portfolio</i>	<i>Index</i>
Price/Earnings - Forecast 1 Yr Wtd Mdn	13.4x	12.4x
Price/Book - Hist 1 Yr Wtd Avg	1.3x	1.5x
Price/Cash Flow - Hist 1 Yr Wtd Mdn	6.9x	7.4x
Return on Equity - Hist 1 Yr Mdn	5.2%	9.5%
Market Cap - Wtd Mdn Bil	6.7 USD	26.2 USD
Number of Equity Holdings	59	127

## MARKET CAP BAND EXPOSURES (\$B)

	<i>Portfolio</i>	<i>Index</i>
Small (5.3 & Below)	34.3	9.7
Small - Medium (5.3 To 16.9)	41.7	29.3
Medium (16.9 To 45.6)	19.7	33.9
Medium - Large (45.6 To 131.2)	4.2	27.1

## TOP COUNTRIES (%)

<i>Country</i>	<i>Portfolio</i>	<i>Index</i>
United States	39.0	21.4
Canada	12.6	18.3
Brazil	11.5	3.5
United Kingdom	10.4	13.2
Chile	5.1	0.2
Mexico	3.6	1.4
France	2.8	1.1
Finland	2.7	1.7
Norway	1.9	1.0
Denmark	1.9	0.0

## REGIONS (%)

<i>Region</i>	<i>Portfolio</i>	<i>Index</i>
United States	39.0	21.4
Emerging	23.8	22.6
Other International	12.7	34.4
Europe ex UK (Developed)	12.5	5.9
United Kingdom	10.4	13.2
Cash Equivalents	1.7	0.0
Japan	0.0	2.6

## SECTORS (%)

<i>Sector</i>	<i>Portfolio</i>	<i>Index</i>
Consumer Staples	9.4	3.7
Energy	11.1	0.0
Industrials	16.5	0.0
Information Technology	6.8	0.0
Materials	52.7	96.3
Real Estate	0.4	0.0
Utilities	3.1	0.0

## TOP HOLDINGS

<i>Company</i>	<i>Country</i>	<i>Segment</i>	<i>%</i>
Darling Ingredients Inc	United States	Biofuels	6.7
Ivanhoe Mines Ltd	Canada	Copper	6.5
Glencore PLC	United Kingdom	Diversified Metals & Mining	6.1
Bradespar SA	Brazil	Diversified Metals & Mining	5.2
Sociedad Quimica y Minera de Chile SA	Chile	Lithium	5.2
Vale SA	Brazil	Diversified Metals & Mining	4.2
Grupo Mexico SAB de CV	Mexico	Copper	3.7
SolarEdge Technologies Inc	United States	Solar	3.4
Sunrun Inc	United States	Solar	3.1
Anglo American PLC	United Kingdom	Diversified Metals & Mining	2.8
<b>Total</b>			<b>47.0</b>

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## IMPORTANT INFORMATION

**An investor should consider the fund's investment objectives, risks, charges and expenses before investing. This and other important information can be found in the funds prospectus. To obtain a prospectus please visit [www.gmo.com](http://www.gmo.com). Read the prospectus carefully before investing.**

**Index(es):** The MSCI ACWI (All Country World) Commodity Producers ex-Energy Index is an independently maintained benchmark comprised of listed large and mid capitalization commodity producers within the global developed and emerging markets, excluding companies in the energy sector as defined by GICS. 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.

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## GLOSSARY

**Country Exposures:** Based on equity holdings.

**Region Exposures:** Based on equity holdings. **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)