FRAMEWORK ADOPTED IN RELATION TO REGULATION (EU) 2019/2088 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL OF 27 NOVEMBER 2019 ON SUSTAINABILITY-RELATED DISCLOSURES IN THE FINANCIAL SERVICES SECTOR (THE "SFDR")

IN RESPECT OF

GMO INVESTMENTS ICAV

GMO FUNDS PLC

GMO EMERGING COUNTRY DEBT INVESTMENT FUND PLC

GMO QUALIFYING INVESTOR FUNDS PLC

GMO GLOBAL INVESTMENT FUNDS PLC

(EACH A "COMPANY", AND THE COMPANIES AND THE SUB-FUNDS WITHIN THE COMPANIES (AS APPLICABLE), THE "FUNDS")

TABLE OF CONTENTS

1. Introduction

This document describes the framework (the "Framework") which has been adopted in respect of each Company in relation to the SFDR. This Framework is without prejudice to the rules on risk integration under the UCITS Directive and/or the AIFMD, as applicable. This Framework is adopted by GMO only with respect to the AIFs that it manages.

References herein to the "Company" or "we", "us" or "our" shall where appropriate, be deemed to include references to the Company itself and/or any management company acting on behalf of the Company, as applicable, and/or one or more delegate portfolio managers appointed by the Company to carry out investment decision making as a delegate of the Company including, without limitation, the Investment Manager.

It is the responsibility of each Company, as applicable, to ensure that the design of the Framework is appropriate for such Company, given the nature, scale and complexity of the Company and its Funds under management. The designated persons acting in respect of each Company that is a UCITS or UCITS management company, where relevant to their respective managerial functions and as appropriate, provide assistance and advice to the Company in relation to the design, implementation, compliance and periodic review of this Framework. The Company has adopted the Investment Adviser's policy in relation to the integration of sustainability risks into investment decisions for the Funds.

2. Definitions

"**Alternative Investment Funds**" or "**AIFs**" means AIFs as defined in point (a) of Article 4(1) of Directive 2011/61/EU;

"**Alternative Investment Fund Manager**" or "**AIFM**" means an AIFM as defined in point (b) of Article 4(1) of Directive 2011/61/EU;

"**Alternative Investment Fund Managers Directive**" or "**AIFMD**" means Directive 2011/61/EU, as amended, supplemented or replaced from time to time;

"**ESG**" means environmental, social and governance;

"**Financial Market Participant**" means:

(a) an AIFM; or

(b) a UCITS Management Company;

"**Fund**" means:

(a) a sub-fund within a Company;

(b) where a Company has no sub-funds, the Company itself, which may be an AIF or a UCITS; or

(c) a fund or sub-fund managed by the Company, which may be an AIF or a UCITS;

"**Investment Manager**", "**Investment Adviser**" or "**GMO**" means Grantham, Mayo, Van Otterloo & Co. LLC;

"**Manager**" means KBA Consulting Management Limited;

"**Pre-Contractual Disclosures**" means:

(a) for AIFMs, the disclosures to investors referred to in Article 23(1) of the AIFMD;

(b) for UCITS Management Companies, the prospectus referred to in Article 69 of the UCITS Directive;

"**Prospectus**" means the prospectus of the relevant Company, as may be amended from time to time;

"**SRD II Shareholder Engagement Policy**" means the Shareholder Engagement Policy adopted by the Company, as applicable, from time to time;

"**Sustainability Factors**" mean environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters;

"**Sustainable Investment**" means an investment in an economic activity that contributes to an environmental objective, as measured, for example, by key resource efficiency indicators on the use of energy, renewable energy, raw materials, water and land, on the production of waste, and greenhouse gas emissions, or on its impact on biodiversity and the circular economy, or an investment in an economic activity that contributes to a social objective, in particular an investment that contributes to tackling inequality or that fosters social cohesion, social integration and labour relations, or an investment in human capital or economically or socially disadvantaged communities, provided that such investments do not significantly harm any of those objectives and that the investee companies follow good governance practices, in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance;

"**Sustainability Risk**" means an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment;

"**Taxonomy Regulation**" means Regulation (EU) 2020/852 of the European Parliament and of the Council, as amended, supplemented or replaced from time to time;

"**UCITS Directive**" means Directive 2009/65/EC, as amended, supplemented or replaced from time to time;

"**UCITS Management Company**" means:

(a) a management company as defined in point (b) of Article 2(1) of the UCITS Directive; or

(b) an investment company authorised in accordance with the UCITS Directive which has not designated a management company authorised under that Directive for its management;

"**Undertaking For Collective Investment In Transferable Securities**" or "**UCITS**" means an undertaking authorised in accordance with Article 5 of the UCITS Directive.

3. Disclosure on integration of sustainability risk into investment decision making process[1]

The Company integrates relevant Sustainability Risks, whether material or likely to be material, in its investment decision making processes, including the organisational, risk management and governance aspects of such processes as set out for each Fund in the Pre-Contractual Disclosures in Appendix 1 to this Framework.

4. Transparency of Adverse Sustainability Impacts

The Companies / Manager, acting through GMO as its delegate, as applicable, do not consider the principal adverse impacts ("PAIs") of its investment decisions on sustainability factors, within the meaning of Article 4(1)(a) of SFDR, for the time being. GMO does not currently do so because, among other reasons, GMO is not, in its view, currently in a position to obtain and/or measure all the data

[1] Article 3 of SFDR

which it would be required by SFDR to report, or to do so systematically, consistently and at a reasonable cost with respect to all its investment strategies to investors. This is in part because underlying investments are not widely required to, and may not currently, report by reference to the same data. In addition, the European Commission has requested advice from the European Supervisory Authorities on (i) streamlining and developing further the regulatory framework; (ii) potentially extending the lists of universal indicators for PAIs; and (iii) refining the content of all the PAI indicators and their respective definitions, applicable methodologies, metrics, and presentation. GMO's position on this matter will be reviewed as and when there is more regulatory certainty and at least annually.

5. Transparency of Remuneration Policies in Relation to the Integration of Sustainability Risks

The Manager of each of GMO Funds plc and GMO Investments ICAV has established and maintains a remuneration policy in accordance with the UCITS Directive, and has incorporated information on how that policy is consistent with the integration of Sustainability Risks, and has published that information on its website. For further details see www.kbassociates.ie.

6. Transparency of the Integration of Sustainability Risks

In addition, the Company includes descriptions of the following in Pre-Contractual Disclosures for its Funds (to the extent applicable):

(a) the manner in which Sustainability Risks are integrated into its investment decisions; and

(b) the results of the assessment of the likely impacts of Sustainability Risks on the returns of the Funds it makes available.

Where the Company deems Sustainability Risks not to be relevant, the descriptions referred to in the first subparagraph shall include a clear and concise explanation of the reasons therefor.

For each of the Funds, further information is set out in the Pre-Contractual Disclosures in Appendix 1 to this Framework which may be set out in the relevant prospectus for each of the Funds or a supplement or addendum thereto.

7. Transparency of the Promotion of Environmental or Social Characteristics in Pre-Contractual Disclosures (so-called "Article 8" Funds)

Where a Fund promotes, among other characteristics, environmental or social characteristics, or a combination of those characteristics, provided that the companies in which the investments are made follow good governance practices, the information to be disclosed in the Pre-Contractual Disclosures shall include the following:

(a) information on how the promotion of those characteristics is met;

(b) if an index has been designated as a reference benchmark, information on whether and how this index is consistent with the promotion of those characteristics. The Company shall include in the Pre-Contractual Disclosures an indication of where the methodology used for the calculation of the index referred is to be found.

Where the Company makes available a Fund as referred to in Article 6 of the Taxonomy Regulation, the Company shall include in the Pre-Contractual Information the information required under Article 6 of the Taxonomy Regulation.

For each of the Funds, further information is set out in the Pre-Contractual Disclosures in Appendix 1 to this Framework which may be set out in the relevant prospectus for such a Fund or a supplement or addendum thereto.

8. **Transparency of Sustainable Investments in Pre-Contractual Disclosures (so-called "Article 9" Funds**

Where a Fund has Sustainable Investment as its objective and an index has been designated as a reference benchmark, the information to be disclosed in the Pre-Contractual Disclosures shall be accompanied by the following:

(a) information on how the designated index is aligned with that objective;

(b) an explanation as to why and how the designated index aligned with that objective differs from a broad market index.

Where a Fund has Sustainable Investment as its objective and no index has been designated as a reference benchmark, the information to be disclosed in the Pre-Contractual Disclosures shall include an explanation on how that objective is to be attained.

Where a Fund has a reduction in carbon emissions as its objective, the information to be disclosed in the Pre-Contractual Disclosures shall include the objective of low carbon emission exposure in view of achieving the long- term global warming objectives of the Paris Agreement.

Where no EU Climate Transition Benchmark or EU Paris-aligned Benchmark in accordance with Regulation (EU) 2016/1011 of the European Parliament and of the Council is available, the information referred to in the Pre-Contractual Disclosures shall include a detailed explanation of how the continued effort of attaining the objective of reducing carbon emissions is ensured in view of achieving the long-term global warming objectives of the Paris Agreement.

The Company shall include in the information to be disclosed in the Pre-Contractual Disclosures an indication of where the methodology used for the calculation of the indices or benchmarks referred to above are to be found.

The Company shall include in the information to be disclosed in the Pre-Contractual Disclosures of this Regulation the information required under Article 5 of the Taxonomy Regulation.

For each of the Funds, further information is set out in the Pre-Contractual Disclosures in Appendix 1 to this Framework which may be set out in the relevant prospectus for such a Fund or a supplement or addendum thereto.

9. **Transparency of the Promotion of Environmental or Social Characteristics and of Sustainable Investments on Websites**

The Company shall publish and maintain on its website the following information for each Fund referred to in Article 8(1) and Article 9(1), (2) and (3) of the SFDR:

(a) a description of the environmental or social characteristics or the Sustainable Investment objective;

(b) information on the methodologies used to assess, measure and monitor the environmental or social characteristics or the impact of the Sustainable Investments selected for the Fund, including its data sources, screening criteria for the underlying assets and the relevant sustainability indicators used to measure the environmental or social characteristics or the overall sustainable impact of the Fund;

(c) the information referred to in Articles 8 and 9 of the SFDR;

(d) the information referred to in Article 11 of the SFDR.

The information required under (a), (b) and (c) above is at Appendix 2.

10. Good Governance Policy

SFDR precludes investment by Article 8 and Article 9 Funds in securities issued by companies that do not follow good governance practices.

The policy pursuant to which GMO determines whether prospective and ongoing investments adhere to the good governance criteria of its Article 8 and Article 9 Funds is at Appendix 3.

11. Review of disclosures

The Company shall ensure that any information published in accordance with Article 3, 5 or 10 of SFDR is kept up to date. Where the Company amends such information, a clear explanation of such amendment shall be published on the same website.

12. Marketing Communications

Without prejudice to stricter sectoral legislation, in particular Directives 2009/65/EC, 2014/65/EU and (EU) 2016/97 and Regulation (EU) No 1286/2014, the Company shall ensure that its marketing communications do not contradict the information disclosed pursuant to the SFDR.

13. Review of Framework

The Company, and the relevant designated person(s) of the Company, as applicable, will review this Framework, as appropriate and on at least an annual basis.

APPENDIX 1

PRE-CONTRACTUAL DISCLOSURES

Sustainability Risks

The SFDR defines "sustainability risks" as environmental, social or governance events or conditions that, if they occur, could cause an actual or a potential material negative impact on the value of an investment. The [ICAV/Company/Fund, the Manager, the Investment Manager], the Fund's issuers or investee companies and other parties, such as service providers of the Fund or of counterparties of the Fund's issuers or investee companies, may be negatively affected by sustainability risks. If appropriate for an investment, the Investment Manager may conduct sustainability risk-related due diligence and/or take steps to mitigate sustainability risks and preserve the value of the investment; however, there can be no assurance that all such risks will be mitigated in whole or in part, nor identified prior to the date of investment. The [ICAV/Company/Fund, the Manager, the Investment Manager], the Fund's issuers or investee companies and other parties may maintain insurance to protect against certain sustainability risks, where available on reasonable commercial terms, although such insurance is subject to customary deductibles and coverage limits and may not be sufficient to recoup all losses. Any of the foregoing may therefore adversely affect the performance of the Fund and its investments.

GMO FUNDS PLC

TAXONOMY REGULATION

The Taxonomy Regulation establishes an EU-wide framework or criteria for environmentally sustainable economic activities in respect of six environmental objectives. It builds on the disclosure requirements under SFDR by introducing additional disclosure obligations in respect of Article 8 Funds that invest in an economic activity that contributes to an environmental objective. These Funds are required to disclose (a) information on the environmental objective to which the investments underlying the Fund contribute (b) a description of how and to what extent the underlying investments of the Fund are in economic activities that qualify as environmentally sustainable and are aligned with the Taxonomy Regulation (c) the proportion, as a percentage of the Fund's portfolio, of investments in environmentally sustainable economic activities which are aligned with the Taxonomy Regulation (including the proportion, as a percentage of the Fund's portfolio, of enabling and transitional activities, as described in the Taxonomy Regulation). These disclosure obligations are being phased-in – from 1 January 2022 in respect to the first two environmental objectives (climate change mitigation and climate change adaptation) and from 1 January 2023 in respect of the remaining four environmental objectives.

For Funds that are not Article 8 Funds, the underlying investments do not take into account the EU criteria for environmentally sustainable economic activities.

See Schedule IX of the Prospectus for details of the extent to which Article 8 and Article 9 Funds commit to make investments that take into account the EU criteria for environmentally sustainable economic activities.

GMO Investments ICAV

TAXONOMY REGULATION

The Taxonomy Regulation establishes an EU-wide framework or criteria for environmentally sustainable economic activities in respect of six environmental objectives. It builds on the disclosure requirements under the SFDR by introducing additional disclosure obligations in respect of Article 8 and Article 9 Funds that invest in an economic activity that contributes to an environmental objective. These Funds are required to disclose (a) information on the environmental objective to which the investments underlying the Fund contribute (b) a description of how and to what extent the underlying investments of the Fund are in economic activities that qualify as environmentally sustainable and are aligned with the Taxonomy Regulation (c) the proportion, as a percentage of the Fund's portfolio, of investments in environmentally sustainable economic activities which are aligned with the Taxonomy Regulation (including the proportion, as a percentage of the Fund's portfolio, of enabling and transitional activities, as described in the Taxonomy Regulation). These disclosure obligations are being phased-in – from 1 January 2022 in respect to the first two environmental objectives (climate change mitigation and climate change adaptation) and from 1 January 2023 in respect of the remaining four environmental objectives.

For Funds that are not Article 8 or Article 9 Funds, the underlying investments do not take into account the EU criteria for environmentally sustainable economic activities.

See Schedule VIII of the Prospectus for details of the extent to which Article 8 Funds commit to make investments that take into account the EU criteria for environmentally sustainable economic activities.

GMO EMERGING COUNTRY DEBT INVESTMENT FUND PLC
GMO QUALIFYING INVESTOR FUNDS PLC
GMO GLOBAL INVESTMENT FUNDS PLC

TAXONOMY REGULATION

The investments underlying the Funds do not take into account the EU criteria for environmentally sustainable economic activities.

GMO INVESTMENTS ICAV

SUSTAINABLE FINANCE DISCLOSURES REGULATION

GMO SGM Major Markets Investment Fund

The Fund is neither an Article 8 Fund nor an Article 9 Fund within the meaning of SFDR.

The Manager has adopted the Investment Adviser's policy in relation to the integration of sustainability risks into investment decisions for the Funds. A sustainability risk is an ESG event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of an investment. The investment decisions of the Investment Adviser in relation to the Fund are driven by investment selection models of value-based strategies and sentiment-based strategies which do not integrate sustainability risks. Further, the Fund uses derivatives on index baskets that do not filter individual stocks on sustainability ratings. Accordingly, sustainability risks are not deemed relevant to the investment decision-making process for the Fund and the Investment Adviser does not carry out an assessment of the likely impact of sustainability risks on the returns of the Fund.

The Manager, acting through the Investment Adviser as its delegate, does not consider the principal adverse impacts ("PAIs") of its investment decisions on sustainability factors, within the meaning of Article 4(1)(a) of SFDR, for the time being. The Investment Adviser does not currently do so because, among other reasons, the Investment Adviser is not, in its view, currently in a position to obtain and/or measure all the data which it would be required by SFDR to report, or to do so systematically, consistently and at a reasonable cost with respect to all its investment strategies to investors. This is in part because underlying investments are not widely required to, and may not currently, report by reference to the same data. In addition, the European Commission has requested advice from the European Supervisory Authorities on (i) streamlining and developing further the regulatory framework; (ii) potentially extending the lists of universal indicators for PAIs; and (iii) refining the content of all the PAI indicators and their respective definitions, applicable methodologies, metrics, and presentation. The Investment Adviser's position on this matter will be reviewed as and when there is more regulatory certainty and at least annually.

Further information on GMO's approach to sustainability risks is available at GMO - SFDR framework.

GMO Climate Change Investment Fund

The Fund is an Article 8 Fund within the meaning of SFDR. **Information about the environmental or social characteristics promoted by the Fund is available at Appendix 4.**

The Manager has adopted the Investment Adviser's policy in relation to the integration of sustainability risks into investment decisions for the Funds. A sustainability risk is an ESG event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of an investment.

The Investment Adviser has integrated sustainability risks, as a sub-set of risks generally that could cause an actual or potential material negative impact on the value of an investment, as part of its investment decision-making process for the Fund. If the Investment Adviser determines that sustainability risks could cause such a material negative impact, the Investment Adviser may conduct sustainability risk-related due diligence and/or take steps to mitigate sustainability risks and preserve the value of the investment. The Investment Adviser is committed to continuously improving its understanding of how the integration of ESG factors can improve the Fund's investment results and seeks to focus on ESG considerations which can improve the Fund's risk-adjusted return potential.

The Fund may be exposed to certain potential sustainability risks as, amongst others, reflected in the section of the Prospectus entitled "Risk Factors – Sustainability Risk". Notwithstanding the foregoing, sustainability risks will not be relevant to certain non-core activities undertaken by the Fund (for example, hedging). As of the date hereof, the portfolio of the Fund is comprised of different investments that may change over time as a result of specific investment decisions made and accordingly the identification and assessments of risks, including sustainability risks, will take place on an investment-by-investment basis as noted above. The Investment Adviser does not maintain a minimum level of holding of sustainable investments in the Fund. The Investment Adviser's assessment is that integration of known sustainability risks in investment decisions, combined with a diversified portfolio appropriate for the Fund in light of its investment objective and strategy, should help mitigate the potential material negative impact of sustainability risks on the returns of the Fund, although there can be no assurance that all such risks will be mitigated in whole or in part, nor identified prior to the date of investment.

Further information on GMO's approach to sustainability risks is available at GMO - SFDR framework.

GMO Equity Dislocation Investment Fund

The Fund is neither an Article 8 Fund nor an Article 9 Fund within the meaning of SFDR.

The Manager has adopted the Investment Adviser's policy in relation to the integration of sustainability risks into investment decisions for the Funds. A sustainability risk is an ESG event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of an investment.

The Investment Adviser has integrated sustainability risks, as a sub-set of risks generally that could cause an actual or potential material negative impact on the value of an investment, as part of its investment decision-making process for the Fund. If the Investment Adviser determines that sustainability risks could cause such a material negative impact, the Investment Adviser may conduct sustainability risk-related due diligence and/or take steps to mitigate sustainability risks and preserve the value of the investment. The Investment Adviser is committed to continuously improving its understanding of how the integration of ESG factors can improve the Fund's investment results and seeks to focus on ESG considerations which can improve the Fund's risk-adjusted return potential.

The Fund may be exposed to certain potential sustainability risks as, amongst others, reflected in the section of the Prospectus entitled "Risk Factors – Sustainability Risk". Notwithstanding the foregoing, sustainability risks will not be relevant to certain non-core activities undertaken by the Fund (for example, hedging). As of the date hereof, the portfolio of the Fund is comprised of different investments that may change over time as a result of specific investment decisions made and accordingly the identification and assessments of risks, including sustainability risks, will take place on an investment-by-investment basis as noted above. The Investment Adviser's assessment is that integration of known sustainability risks in investment decisions, combined with a diversified portfolio appropriate for the Fund in light of its investment objective and strategy, should help mitigate the potential material negative impact of sustainability risks on the returns of the Fund, although there can be no assurance that all such risks will be mitigated in whole or in part, nor identified prior to the date of investment.

The Manager, acting through the Investment Adviser as its delegate, does not consider the PAIs of its investment decisions on sustainability factors, within the meaning of Article 4(1)(a) of SFDR, for the time being. The Investment Adviser does not currently do so because, among other reasons, the Investment Adviser is not, in its view, currently in a position to obtain and/or measure all the data which it would be required by SFDR to report, or to do so systematically, consistently and at a reasonable cost with respect to all its investment strategies to investors. This is in part because underlying investments are not widely required to, and may not currently, report by reference to the same data. In addition, the European Commission has requested advice from the European Supervisory Authorities on (i) streamlining and developing further the regulatory framework; (ii) potentially extending the lists of universal indicators for PAIs; and (iii) refining the content of all the PAI indicators and their respective definitions, applicable methodologies, metrics, and presentation. The Investment Adviser's position on this matter will be reviewed as and when there is more regulatory certainty and at least annually.

Further information on GMO's approach to sustainability risks is available at GMO - SFDR framework.

GMO Emerging Country Debt UCITS Fund

The Fund is neither an Article 8 Fund nor an Article 9 Fund within the meaning of SFDR.

The Manager has adopted the Investment Adviser's policy in relation to the integration of sustainability risks into investment decisions for the Funds. A sustainability risk is an ESG event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of an investment. The Investment Adviser generally measures any relevant ESG matters using third-party standards, guidelines and metrics, data from issuers comprised in portfolios managed or advised by the Investment Adviser (including the Fund, other funds or accounts), company reports and publicly available information, as the Investment Adviser deems relevant from time to time.

The Investment Adviser has integrated sustainability risks, as a sub-set of risks generally that could cause an actual or potential material negative impact on the value of an investment, as part of its investment decision-making process for the Fund. If the Investment Adviser determines that sustainability risks could cause such a material negative impact, the Investment Adviser may conduct sustainability risk-related due diligence and/or take steps to mitigate sustainability risks and preserve the value of the investment. The Investment Adviser is committed to continuously improving its understanding of how the integration of ESG factors can improve the Fund's investment results and seeks to focus on ESG considerations which can improve the Fund's risk-adjusted return potential.

One of the ways it does so is to estimate, via a quantitative process, the creditworthiness (that is, the risk of default) of sovereign emerging countries in comparison to those countries' bond yields, towards decisions on how much of the portfolio to allocate to each country and/or sector. In addition to traditional economic and financial inputs into this process, the Investment Adviser curates ESG-related data from various public sources towards creating its own ESG scores, which are then included as inputs into the process. The Investment Adviser also considers qualitative ESG-related criteria that are not easily quantifiable in its decision-making process. All things being equal, this means that countries / issuers with better ESG quality, according to the Investment Adviser's methodology, will tend to appear more creditworthy under this approach and, assuming similar yields to those of their lower ESG quality counterparts, attract a larger share of the portfolio's assets than would be the case had ESG-related considerations not been taken into account. The Investment Adviser does not seek to exclude holdings deemed inconsistent with its ESG criteria.

The Fund may be exposed to certain potential sustainability risks as, amongst others, reflected in the section of the Prospectus entitled "Risk Factors – Sustainability Risk". Notwithstanding the foregoing, sustainability risks will not be relevant to certain non-core activities undertaken by the Fund (for example, cash management). As of the date hereof, the portfolio of the Fund is comprised of different investments that may change over time as a result of specific investment decisions made and accordingly the identification and assessments of risks, including sustainability risks, will take place on an investment-by-investment basis as noted above. The Investment Adviser's assessment is that integration of known sustainability risks in investment decisions, combined with a diversified portfolio appropriate for the Fund in light of its investment objective and strategy, should help mitigate the potential material negative impact of sustainability risks on the returns of the Fund, although there can be no assurance that all such risks will be mitigated in whole or in part, nor identified prior to the date of investment.

The Manager, acting through the Investment Adviser as its delegate, does not consider the PAIs of its investment decisions on sustainability factors, within the meaning of Article 4(1)(a) of SFDR, for the time being. The Investment Adviser does not currently do so because, among other reasons, the Investment Adviser is not, in its view, currently in a position to obtain and/or measure all the data which it would be required by SFDR to report, or to do so systematically, consistently and at a reasonable cost with respect to all its investment strategies to investors. This is in part because underlying investments are not widely required to, and may not currently, report by reference to the same data. In addition, the European Commission has requested advice from the European Supervisory Authorities on (i) streamlining and developing further the regulatory framework; (ii) potentially extending the lists of universal indicators for PAIs; and (iii) refining the content of all the PAI indicators and their respective definitions, applicable methodologies, metrics, and presentation. The Investment Adviser's position on this matter will be reviewed as and when there is more regulatory certainty and at least annually.

Further information on GMO's approach to sustainability risks is available at GMO - SFDR framework.

GMO Usonian Japan Value Fund

The Fund is neither an Article 8 Fund nor an Article 9 Fund within the meaning of SFDR.

The Manager has adopted the Investment Adviser's policy in relation to the integration of sustainability risks into investment decisions for the Funds. A sustainability risk is an ESG event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of an investment.

The Manager, acting through the Investment Adviser as its delegate, does not consider the PAIs of its investment decisions on sustainability factors, within the meaning of Article 4(1)(a) of SFDR, for the time being. The Investment Adviser does not currently do so because, among other reasons, the Investment Adviser is not, in its view, currently in a position to obtain and/or measure all the data which it would be required by SFDR to report, or to do so systematically, consistently and at a reasonable cost with respect to all its investment strategies to investors. This is in part because underlying investments are not widely required to, and may not currently, report by reference to the same data. In addition, the European Commission has requested advice from the European Supervisory Authorities on (i) streamlining and developing further the regulatory framework; (ii) potentially extending the lists of universal indicators for PAIs; and (iii) refining the content of all the PAI indicators and their respective definitions, applicable methodologies, metrics, and presentation. The Investment Adviser's position on this matter will be reviewed as and when there is more regulatory certainty and at least annually.

Further information on GMO's approach to sustainability risks is available at GMO - SFDR framework

GMO Resources UCITS Fund

The Fund is neither an Article 8 Fund nor an Article 9 Fund within the meaning of SFDR.

The Manager has adopted the Investment Adviser's policy in relation to the integration of sustainability risks into investment decisions for the Funds. A sustainability risk is an ESG event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of an investment.

The Investment Adviser has integrated sustainability risks, as a sub-set of risks generally that could cause an actual or potential material negative impact on the value of an investment, as part of its investment decision-making process for the Fund. If the Investment Adviser determines that sustainability risks could cause such a material negative impact, the Investment Adviser may conduct sustainability risk-related due diligence and/or take steps to mitigate sustainability risks and preserve the value of the investment. The Investment Adviser is committed to continuously improving its understanding of how the integration of ESG factors can improve the Fund's investment results and seeks to focus on ESG considerations which can improve the Fund's risk-adjusted return potential.

The Fund may be exposed to certain potential sustainability risks as, amongst others, reflected in the section of the Prospectus entitled "Risk Factors – Sustainability Risk". Notwithstanding the foregoing, sustainability risks will not be relevant to certain non-core activities undertaken by the Fund (for example, hedging). As of the date hereof, the portfolio of the Fund is comprised of different investments that may change over time as a result of specific investment decisions made and accordingly the identification and assessments of risks, including sustainability risks, will take place on an investment-by-investment basis as noted above. The Investment Adviser's assessment is that integration of known sustainability risks in investment decisions, combined with a diversified portfolio appropriate for the Fund in light of its investment objective and strategy, should help mitigate the potential material negative impact of sustainability risks on the returns of the Fund, although there can be no assurance that all such risks will be mitigated in whole or in part, nor identified prior to the date of investment.

The Manager, acting through the Investment Adviser as its delegate, does not consider the PAIs of its investment decisions on sustainability factors, within the meaning of Article 4(1)(a) of SFDR, for the time being. The Investment Adviser does not currently do so because, among other reasons, the Investment Adviser is not, in its view, currently in a position to obtain and/or measure all the data which it would be required by SFDR to report, or to do so systematically, consistently and at a reasonable cost with respect to all its investment strategies to investors. This is in part because underlying investments are not widely required to, and may not currently, report by reference to the same data. In addition, the European Commission has requested advice from the European Supervisory Authorities on (i) streamlining and developing further the regulatory framework; (ii) potentially extending the lists of universal indicators for PAIs; and (iii) refining the content of all the PAI indicators and their respective definitions, applicable methodologies, metrics, and presentation. The Investment Adviser's position on this matter will be reviewed as and when there is more regulatory certainty and at least annually.

Further information on GMO's approach to sustainability risks is available at GMO - SFDR framework.

GMO Climate Change Select Investment Fund

The Fund is an Article 9 Fund within the meaning of SFDR. **Information about the manner in which the Fund seeks to achieve its sustainable investment objective is available at Appendix 4.**

The Manager has adopted the Investment Adviser's policy in relation to the integration of sustainability risks into investment decisions for the Funds. A sustainability risk is an ESG event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of an investment. The Investment Adviser has integrated sustainability risks, as a sub-set of risks generally that could cause an actual or potential material negative impact on the value of an investment, as part of its investment decision-making process for the Fund. If the Investment Adviser determines that sustainability risks could cause such a material negative impact, the Investment Adviser may conduct sustainability risk-related due diligence and/or take steps to mitigate sustainability risks and preserve the value of the investment. The Investment Adviser is committed to continuously improving its understanding of how the integration of ESG factors can improve the Fund's investment results and seeks to focus on ESG considerations which can improve the Fund's risk-adjusted return potential. The

Investment Adviser has adopted a framework in relation to the SFDR which gives further detail in relation to the integration of sustainability risk, whether material or likely to be material, in the Investment Adviser's investment decision making processes, including the organisational, risk management and governance aspects of such processes. A copy of such framework document can be found at GMO - SFDR framework.

The Fund may be exposed to certain potential sustainability risks as, amongst others, reflected in the section of the Prospectus entitled "Risk Factors – Sustainability Risk". Notwithstanding the foregoing, sustainability risks will not be relevant to certain non-core activities undertaken by the Fund (for example, hedging). The portfolio of the Fund will be comprised of different investments that may change over time as a result of specific investment decisions made and accordingly the identification and assessments of risks, including sustainability risks, will take place on an investment-by-investment basis as noted above. The Investment Adviser's assessment is that integration of known sustainability risks in investment decisions, combined with a diversified portfolio appropriate for the Fund in light of its investment objective and strategy, should help mitigate the potential material negative impact of sustainability risks on the returns of the Fund, although there can be no assurance that all such risks will be mitigated in whole or in part, nor identified prior to the date of investment.

Further information on GMO's approach to sustainability risks is available at GMO - SFDR framework.

GMO Emerging Markets Ex-China Equity Fund

The Fund is an Article 8 Fund within the meaning of SFDR. **Information about the environmental or social characteristics the Fund promotes is available at Appendix 4.**

The Manager has adopted the Investment Adviser's policy in relation to the integration of sustainability risks into investment decisions for the Funds. A sustainability risk is an ESG event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of an investment.

The Investment Adviser has integrated sustainability risks, as a sub-set of risks generally that could cause an actual or potential material negative impact on the value of an investment, as part of its investment decision-making process for the Fund. If the Investment Adviser determines that sustainability risks could cause such a material negative impact, the Investment Adviser may conduct sustainability risk-related due diligence and/or take steps to mitigate sustainability risks and preserve the value of the investment. The Investment Adviser is committed to continuously improving its understanding of how the integration of ESG factors can improve the Fund's investment results and seeks to focus on ESG considerations which can improve the Fund's risk-adjusted return potential.

The Fund may be exposed to certain potential sustainability risks as, amongst others, reflected in the section of the Prospectus entitled "Risk Factors – Sustainability Risk". Notwithstanding the foregoing, sustainability risks will not be relevant to certain non-core activities undertaken by the Fund (for example, hedging). The portfolio of the Fund will be comprised of different investments that may change over time as a result of specific investment decisions made and accordingly the identification and assessments of risks, including sustainability risks, will take place on an investment-by-investment basis as noted above. The Investment Adviser does not maintain a minimum level of holding of sustainable investments in the Fund. The Investment Adviser's assessment is that integration of known sustainability risks in investment decisions, combined with a diversified portfolio appropriate for the Fund in light of its investment objective and strategy, should help mitigate the potential material negative impact of sustainability risks on the returns of the Fund, although there can be no assurance that all such risks will be mitigated in whole or in part, nor identified prior to the date of investment.

Further information on GMO's approach to sustainability risks is available at GMO - SFDR framework.

GMO Quality Select Investment Fund

The Fund is an Article 8 Fund within the meaning of SFDR. **Information about the environmental or social characteristics the Fund promotes is available at Appendix 4.**

The Manager has adopted the Investment Adviser's policy in relation to the integration of sustainability risks into investment decisions for the Fund. A sustainability risk is an ESG event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of an investment.

The Investment Adviser has integrated sustainability risks, as a sub-set of risks generally that could cause an actual or potential material negative impact on the value of an investment, as part of its investment decision-making process for the Fund. If the Investment Adviser determines that sustainability risks could cause such a material negative impact, the Investment Adviser may conduct sustainability risk-related due diligence and/or take steps to mitigate sustainability risks and preserve the value of the investment. The Investment Adviser is committed to continuously improving its understanding of how the integration of ESG factors can improve the Fund's investment results and seeks to focus on ESG considerations which can improve the Fund's risk-adjusted return potential.

The Fund may be exposed to certain potential sustainability risks as, amongst others, reflected in the section of the Prospectus entitled "Risk Factors – Sustainability Risk". Notwithstanding the foregoing, sustainability risks will not be relevant to certain non-core activities undertaken by the Fund (for example, hedging). The portfolio of the Fund will be comprised of different investments that may change over time as a result of specific investment decisions made and accordingly the identification and assessments of risks, including sustainability risks, will take place on an investment-by-investment basis as noted above. The Investment Adviser does not maintain a minimum level of holding of sustainable investments in the Fund. The Investment Adviser's assessment is that integration of known sustainability risks in investment decisions, combined with a diversified portfolio appropriate for the Fund in light of its investment objective and strategy, should help mitigate the potential material negative impact of sustainability risks on the returns of the Fund, although there can be no assurance that all such risks will be mitigated in whole or in part, nor identified prior to the date of investment.

Further information on the Investment Adviser's approach to sustainability risks is available at GMO - SFDR framework.

GMO US Quality Investment Fund

The Fund is neither an Article 8 Fund nor an Article 9 Fund within the meaning of SFDR.

The Manager has adopted the Investment Adviser's policy in relation to the integration of sustainability risks into investment decisions for the Funds. A sustainability risk is an ESG event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of an investment.

The Investment Adviser has integrated sustainability risks, as a sub-set of risks generally that could cause an actual or potential material negative impact on the value of an investment, as part of its investment decision-making process for the Fund. If the Investment Adviser determines that sustainability risks could cause such a material negative impact, the Investment Adviser may conduct sustainability risk-related due diligence and/or take steps to mitigate sustainability risks and preserve the value of the investment. The Investment Adviser is committed to continuously improving its understanding of how the integration of ESG factors can improve the Fund's investment results and seeks to focus on ESG considerations which can improve the Fund's risk-adjusted return potential.

The Fund may be exposed to certain potential sustainability risks as, amongst others, reflected in the section of the Prospectus entitled "Risk Factors – Sustainability Risk". Notwithstanding the foregoing, sustainability risks will not be relevant to certain non-core activities undertaken by the Fund (for example, hedging). As of the date hereof, the portfolio of the Fund is comprised of different investments that may change over time as a result of specific investment decisions made and accordingly the identification and assessments of risks, including sustainability risks, will take place on an investment-by-investment basis as noted above. The Investment Adviser's assessment is that integration of known sustainability risks in investment decisions, combined with a diversified portfolio appropriate for the Fund in light of its investment objective and strategy, should help mitigate the potential material negative impact of sustainability risks on the returns of the Fund, although there can be no assurance that all such risks will be mitigated in whole or in part, nor identified prior to the date of investment.

The Manager, acting through the Investment Adviser as its delegate, does not consider the PAIs of its investment decisions on sustainability factors, within the meaning of Article 4(1)(a) of SFDR, for the time being. The Investment Adviser does not currently do so because, among other reasons, the Investment Adviser is not, in its view, currently in a position to obtain and/or measure all the data which it would be required by SFDR to report, or to do so systematically, consistently and at a reasonable cost with respect to all its investment strategies to investors. This is in part because underlying investments are not widely required to, and may not currently, report by reference to the same data. In addition, the European Commission has requested advice from the European Supervisory Authorities on (i) streamlining and developing further the regulatory framework; (ii) potentially extending the lists of universal indicators for PAIs; and (iii) refining the content of all the PAI indicators and their respective definitions, applicable methodologies, metrics, and presentation. The Investment Adviser's position on this matter will be reviewed as and when there is more regulatory certainty and at least annually.

Further information on the Investment Adviser's approach to sustainability risks is available at GMO - SFDR framework.

GMO Horizons Investment Fund

The Fund is an Article 8 Fund within the meaning of SFDR. **Information about the environmental or social characteristics the Fund promotes is available at Schedule IX.**

The Manager has adopted the Investment Adviser's policy in relation to the integration of sustainability risks into investment decisions for the Fund. A sustainability risk is an ESG event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of an investment.

The Investment Adviser has integrated sustainability risks, as a sub-set of risks generally that could cause an actual or potential material negative impact on the value of an investment, as part of its investment decision-making process for the Fund. If the Investment Adviser determines that sustainability risks could cause such a material negative impact, the Investment Adviser may conduct sustainability risk-related due diligence and/or take steps to mitigate sustainability risks and preserve the value of the investment. The Investment Adviser is committed to continuously improving its understanding of how the integration of ESG factors can improve the Fund's investment results and seeks to focus on ESG considerations which can improve the Fund's risk-adjusted return potential.

The Fund may be exposed to certain potential sustainability risks as, amongst others, reflected in the section of the Prospectus entitled "Risk Factors – Sustainability Risk". Notwithstanding the foregoing, sustainability risks will not be relevant to certain non-core activities undertaken by the Fund (for example, hedging). The portfolio of the Fund will be comprised of different investments that may change over time as a result of specific investment decisions made and accordingly the identification and assessments of risks, including sustainability risks, will take place on an investment-by-investment basis as noted above. The Investment Adviser does not maintain a minimum level of holding of sustainable investments in the Fund. The Investment Adviser's assessment is that integration of known sustainability risks in investment decisions, combined with a diversified portfolio appropriate for the Fund in light of its investment objective and strategy, should help mitigate the potential material negative impact of sustainability risks on the returns of the Fund, although there can be no assurance that all such risks will be mitigated in whole or in part, nor identified prior to the date of investment.

Further information on the Investment Adviser's approach to sustainability risks is available at GMO - SFDR framework.

GMO FUNDS PLC

SUSTAINABLE FINANCE DISCLOSURES REGULATION

GMO Global Equity Allocation Investment Fund

The Fund is neither an Article 8 Fund nor an Article 9 Fund within the meaning of SFDR.

The Manager has adopted the Investment Manager's policy in relation to the integration of sustainability risks into investment decisions for the Funds. A sustainability risk is an ESG event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of an investment.

The Investment Manager has integrated sustainability risks, as a sub-set of risks generally that could cause an actual or potential material negative impact on the value of an investment, as part of its investment decision-making process for the Fund. If appropriate for an investment, the Investment Manager may conduct sustainability risk-related due diligence and/or take steps to mitigate sustainability risks and preserve the value of the investment. The Investment Manager is committed to continuously improving its understanding of how the integration of ESG factors can improve the Fund's investment results and seeks to focus on ESG considerations which can improve the Fund's risk-adjusted return potential.

The Fund may be exposed to certain potential sustainability risks as, amongst others, reflected in the section of the Prospectus entitled "Risk Factors – Sustainability Risk". Notwithstanding the foregoing, sustainability risks will not be relevant to certain non-core activities undertaken by the Fund (for example, hedging). As of the date hereof, the portfolio of the Fund is comprised of different investments that may change over time as a result of specific investment decisions made and accordingly the identification and assessments of risks, including sustainability risks, will take place on an investment-by-investment basis as noted above. The Investment Manager's assessment is that integration of known sustainability risks in investment decisions, combined with a diversified portfolio appropriate for the Fund in light of its investment objective and strategy, should help mitigate the potential material negative impact of sustainability risks on the returns of the Fund, although there can be no assurance that all such risks will be mitigated in whole or in part, nor identified prior to the date of investment.

The Manager, acting through the Investment Manager as its delegate, does not consider the principal adverse impacts ("PAIs") of its investment decisions on sustainability factors, within the meaning of Article 4(1)(a) of SFDR, for the time being. The Investment Manager does not currently do so because, among other reasons, the Investment Manager is not, in its view, currently in a position to obtain and/or measure all the data which it would be required by SFDR to report, or to do so systematically, consistently and at a reasonable cost with respect to all its investment strategies to investors. This is in part because underlying investments are not widely required to, and may not currently, report by reference to the same data. In addition, the European Commission has requested advice from the European Supervisory Authorities on (i) streamlining and developing further the regulatory framework; (ii) potentially extending the lists of universal indicators for PAIs; and (iii) refining the content of all the PAI indicators and their respective definitions, applicable methodologies, metrics, and presentation. The Investment Manager's position on this matter will be reviewed as and when there is more regulatory certainty and at least annually.

Further information on GMO's approach to sustainability risks is available at GMO - SFDR framework.

GMO Quality Investment Fund

The Fund is neither an Article 8 Fund nor an Article 9 Fund within the meaning of SFDR.

The Manager has adopted the Investment Manager's policy in relation to the integration of sustainability risks into investment decisions for the Funds. A sustainability risk is an ESG event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of an investment.

The Investment Manager has integrated sustainability risks and opportunities as a sub-set of investment considerations that could cause an actual or potential material impact on the value of an investment as part of its investment decision-making process for the Fund. If appropriate for an investment, the Investment Manager may conduct sustainability risk-related due diligence and/or take steps to mitigate sustainability risks and preserve the value of the investment.

The Fund may be exposed to certain potential sustainability risks as, amongst others, reflected in the section of the Prospectus entitled "Risk Factors – Sustainability Risk". Notwithstanding the foregoing, sustainability risks will not be relevant to certain non-core activities undertaken by the Fund (for example, hedging). As of the date hereof, the portfolio of the Fund is comprised of different investments that may change over time as a result of specific investment decisions made and accordingly the identification and assessments of risks, including sustainability risks, will take place on an investment-by-investment basis as noted above. The Investment Manager's assessment is that integration of known sustainability risks in investment decisions, combined with a diversified portfolio appropriate for the Fund in light of its investment objective and strategy, should help mitigate the potential material negative impact of sustainability risks on the returns of the Fund, although there can be no assurance that all such risks will be mitigated in whole or in part, nor identified prior to the date of investment.

The Manager, acting through the Investment Manager as its delegate, does not consider the PAIs of its investment decisions on sustainability factors, within the meaning of Article 4(1)(a) of SFDR, for the time being. The Investment Manager does not currently do so because, among other reasons, the Investment Manager is not, in its view, currently in a position to obtain and/or measure all the data which it would be required by SFDR to report, or to do so systematically, consistently and at a reasonable cost with respect to all its investment strategies to investors. This is in part because underlying investments are not widely required to, and may not currently, report by reference to the same data. In addition, the European Commission has requested advice from the European Supervisory Authorities on (i) streamlining and developing further the regulatory framework; (ii) potentially extending the lists of universal indicators for PAIs; and (iii) refining the content of all the PAI indicators and their respective definitions, applicable methodologies, metrics, and presentation. The Investment Manager's position on this matter will be reviewed as and when there is more regulatory certainty and at least annually.

Further information on GMO's approach to sustainability risks is available at [GMO - SFDR framework].

GMO Emerging Markets Equity Fund

The Fund is neither an Article 8 Fund nor an Article 9 Fund within the meaning of SFDR.

The Manager has adopted the Investment Manager's policy in relation to the integration of sustainability risks into investment decisions for the Funds. A sustainability risk is an ESG event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of an investment.

The Investment Manager has integrated sustainability risks and opportunities as a sub-set of investment considerations that could cause an actual or potential material impact on the value of an investment as part of its investment decision-making process for the Fund. If appropriate for an investment, the Investment Manager may conduct sustainability risk-related due diligence and/or take steps to mitigate sustainability risks and preserve the value of the investment.

The Fund may be exposed to certain potential sustainability risks as, amongst others, reflected in the section of the Prospectus entitled "Risk Factors – Sustainability Risk". Notwithstanding the foregoing, sustainability risks will not be relevant to certain non-core activities undertaken by the Fund (for example, hedging). As of the date hereof, the portfolio of the Fund is comprised of different investments that may change over time as a result of specific investment decisions made and accordingly the identification and assessments of risks, including sustainability risks, will take place on an investment-by-investment basis as noted above. The Investment Manager's assessment is that integration of known sustainability risks in investment decisions, combined with a diversified portfolio appropriate for the Fund in light of its investment objective and strategy, should help mitigate the potential material negative impact of sustainability risks on the returns of the Fund, although there can be no assurance that all such risks will be mitigated in whole or in part, nor identified prior to the date of investment.

The Manager, acting through the Investment Manager as its delegate, does not consider the PAIs of its investment decisions on sustainability factors, within the meaning of Article 4(1)(a) of SFDR, for the time being. The Investment Manager does not currently do so because, among other reasons, the Investment Manager is not, in its view, currently in a position to obtain and/or measure all the data which it would be required by SFDR to report, or to do so systematically, consistently and at a reasonable cost with respect to all its investment strategies to investors. This is in part because underlying investments are not widely required to, and may not currently, report by reference to the same data. In addition, the European Commission has requested advice from the European Supervisory Authorities on (i) streamlining and developing further the regulatory framework; (ii) potentially extending the lists of universal indicators for PAIs; and (iii) refining the content of all the PAI indicators and their respective definitions, applicable methodologies, metrics, and presentation. The Investment Manager's position on this matter will be reviewed as and when there is more regulatory certainty and at least annually.

Further information on GMO's approach to sustainability risks is available at GMO - SFDR framework.

GMO Emerging Domestic Opportunities Equity Fund

The Fund is neither an Article 8 Fund nor an Article 9 Fund within the meaning of SFDR.

The Manager has adopted the Investment Manager's policy in relation to the integration of sustainability risks into investment decisions for the Funds. A sustainability risk is an ESG event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of an investment. The Investment Manager generally measures any relevant ESG matters using third-party standards, guidelines and metrics, data from issuers comprised in portfolios managed or advised by the Investment Manager (including the Fund, other funds or accounts), company reports and publicly available information, as the Investment Manager deems relevant from time to time.

The Investment Manager has integrated sustainability risks, as a sub-set of risks generally that could cause an actual or potential material negative impact on the value of an investment, as part of its investment decision-making process for the Fund. If appropriate for an investment, the Investment Manager may conduct sustainability risk-related due diligence and/or take steps to mitigate sustainability risks and preserve the value of the investment. The Investment Manager is committed to continuously improving its understanding of how the integration of ESG factors can improve the Fund's investment results and seeks to focus on ESG considerations which can improve the Fund's risk-adjusted return potential.

The Fund may be exposed to certain potential sustainability risks as, amongst others, reflected in the section of the Prospectus entitled "Risk Factors – Sustainability Risk". Notwithstanding the foregoing, sustainability risks will not be relevant to certain non-core activities undertaken by the Fund (for example, hedging). As of the date hereof, the portfolio of the Fund is comprised of different investments that may change over time as a result of specific investment decisions made and accordingly the identification and assessments of risks, including sustainability risks, will take place on an investment-by-investment basis as noted above. The Investment Manager's assessment is that integration of known sustainability risks in investment decisions, combined with a diversified portfolio appropriate for the Fund in light of its investment objective and strategy, should help mitigate the potential material negative impact of sustainability risks on the returns of the Fund, although there can be no assurance that all such risks will be mitigated in whole or in part, nor identified prior to the date of investment.

The Manager, acting through the Investment Manager as its delegate, does not consider the PAIs of its investment decisions on sustainability factors, within the meaning of Article 4(1)(a) of SFDR, for the time being. The Investment Manager does not currently do so because, among other reasons, the Investment Manager is not, in its view, currently in a position to obtain and/or measure all the data which it would be required by SFDR to report, or to do so systematically, consistently and at a reasonable cost with respect to all its investment strategies to investors. This is in part because underlying investments are not widely required to, and may not currently, report by reference to the same data. In addition, the European Commission has requested advice from the European Supervisory Authorities on (i) streamlining and developing further the regulatory framework; (ii) potentially extending the lists of universal indicators for PAIs; and (iii) refining the content of all the PAI indicators and their respective definitions, applicable methodologies, metrics, and presentation. The Investment Manager's position on this matter will be reviewed as and when there is more regulatory certainty and at least annually.

Further information on GMO's approach to sustainability risks is available at GMO - SFDR framework.

GMO Global Real Return (UCITS) Fund

The Fund is an Article 8 Fund within the meaning of SFDR. **Information about the environmental or social characteristics the Fund promotes is available at Appendix 4.**

The Manager has adopted the Investment Manager's policy in relation to the integration of sustainability risks into investment decisions for the Funds. A sustainability risk is an ESG event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of an investment. The Investment Manager generally measures any relevant ESG matters using third party standards, guidelines and metrics, data from issuers comprised in portfolios managed or advised by the Investment Manager (including the Fund, other funds or accounts), company reports and publicly available information and corporate behaviour (such as profit warnings, share issuance or repurchase, and director dealings in company stock), as the Investment Manager deems relevant from time to time. The Investment Manager may meet with company management to confirm conclusions drawn from the Investment Manager's research, and may use discussions with management and on-site visits as an integral part of the investment selection process.

The Investment Manager has integrated sustainability risks, as a sub-set of risks generally that could cause an actual or potential material negative impact on the value of an investment, as part of its investment decision-making process for the Fund. If appropriate for an investment, the Investment Manager may conduct sustainability risk-related due diligence and/or take steps to mitigate sustainability risks and preserve the value of the investment. The Investment Manager is committed to continuously improving its understanding of how the integration of ESG factors can improve the Fund's investment results and seeks to focus on ESG considerations which can improve the Fund's risk-adjusted return potential.

The Fund may be exposed to certain potential sustainability risks as, amongst others, reflected in the section of the Prospectus entitled "Risk Factors – Sustainability Risk". Notwithstanding the foregoing, sustainability risks will not be relevant to certain non-core activities undertaken by the Fund (for example, hedging). As of the date hereof, the portfolio of the Fund is comprised of different investments that may change over time as a result of specific investment decisions made and accordingly the identification and assessments of risks, including sustainability risks, will take place on an investment-by-investment basis as noted above. The Investment Manager's assessment is that integration of known sustainability risks in investment decisions, combined with a diversified portfolio appropriate for the Fund in light of its investment objective and strategy, should help mitigate the potential material negative impact of sustainability risks on the returns of the Fund, although there can be no assurance that all such risks will be mitigated in whole or in part, nor identified prior to the date of investment.

Further information on GMO's approach to sustainability risks is available at [GMO - SFDR framework].

GMO QUALIFYING INVESTOR FUNDS PLC

SUSTAINABLE FINANCE DISCLOSURES REGULATION

GMO Systematic Global Macro Fund

A sustainability risk is an ESG event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of an investment. The investment decisions of the Investment Manager in relation to the Fund are driven by investment selection models of value-based strategies and sentiment-based strategies which do not integrate sustainability risks. Further, the Fund uses derivatives on index baskets that do not filter individual stocks on sustainability ratings. Accordingly, sustainability risks are not deemed relevant to the investment decision-making process for the Fund and the Investment Manager does not carry out an assessment of the likely impact of sustainability risks on the returns of the Fund.

The Investment Manager does not consider the principal adverse impacts ("PAIs") of its investment decisions on sustainability factors, within the meaning of Article 4(1)(a) of SFDR, for the time being. The Investment Manager does not currently do so because, among other reasons, the Investment Manager is not, in its view, currently in a position to obtain and/or measure all the data which it would be required by SFDR to report, or to do so systematically, consistently and at a reasonable cost with respect to all its investment strategies to investors. This is in part because underlying investments are not widely required to, and may not currently, report by reference to the same data. In addition, the European Commission has requested advice from the European Supervisory Authorities on (i) streamlining and developing further the regulatory framework; (ii) potentially extending the lists of universal indicators for PAIs; and (iii) refining the content of all the PAI indicators and their respective definitions, applicable methodologies, metrics, and presentation. The Investment Manager's position on this matter will be reviewed as and when there is more regulatory certainty and at least annually.

GMO Emerging Country Local Debt Investment Fund

The Company has adopted the Investment Manager's policy in relation to the integration of sustainability risks into investment decisions for the Funds. A sustainability risk is an ESG event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of an investment. The Investment Manager generally measures any relevant ESG matters using third-party standards, guidelines and metrics, data from issuers comprised in portfolios managed or advised by the Investment Manager (including the Fund, other funds or accounts), company reports and publicly available information, as the Investment Manager deems relevant from time to time.

The Investment Manager has integrated sustainability risks, as a sub-set of risks generally that could cause an actual or potential material negative impact on the value of an investment, as part of its investment decision-making process for the Fund. If appropriate for an investment, the Investment Manager may conduct sustainability risk-related due diligence and/or take steps to mitigate sustainability risks and preserve the value of the investment. The Investment Manager is committed to continuously improving its understanding of how the integration of ESG factors can improve the Fund's investment results and seeks to focus on ESG considerations which can improve the Fund's risk-adjusted return potential.

One of the ways it does so is to estimate, via a quantitative process, the creditworthiness (that is, the risk of default) of sovereign emerging countries in comparison to those countries' bond yields, towards decisions on how much of the portfolio to allocate to each country and/or sector. In addition to traditional economic and financial inputs into this process, the Investment Manager curates ESG-related data from various public sources towards creating its own ESG scores, which are then included as inputs into the process. The Investment Manager also considers qualitative ESG-related criteria that are not easily quantifiable in its decision-making process. All things being equal, this means that countries /

issuers with better ESG quality, according to the Investment Manager's methodology, will tend to appear more creditworthy under this approach and, assuming similar yields to those of their lower ESG quality counterparts, attract a larger share of the portfolio's assets than would be the case had ESG-related considerations not been taken into account. The Investment Manager does not seek to exclude holdings deemed inconsistent with its ESG criteria.

The Fund may be exposed to certain potential sustainability risks as, amongst others, reflected in the section of the Prospectus entitled "Risk Factors – Sustainability Risk". Notwithstanding the foregoing, sustainability risks will not be relevant to certain non-core activities undertaken by the Fund (for example, cash management). As of the date hereof, the portfolio of the Fund is comprised of different investments that may change over time as a result of specific investment decisions made and accordingly the identification and assessments of risks, including sustainability risks, will take place on an investment-by-investment basis as noted above. The Investment Manager's assessment is that integration of known sustainability risks in investment decisions, combined with a diversified portfolio appropriate for the Fund in light of its investment objective and strategy, should help mitigate the potential material negative impact of sustainability risks on the returns of the Fund, although there can be no assurance that all such risks will be mitigated in whole or in part, nor identified prior to the date of investment.

The Investment Manager does not consider the PAIs of its investment decisions on sustainability factors, within the meaning of Article 4(1)(a) of SFDR, for the time being. The Investment Manager does not currently do so because, among other reasons, the Investment Manager is not, in its view, currently in a position to obtain and/or measure all the data which it would be required by SFDR to report, or to do so systematically, consistently and at a reasonable cost with respect to all its investment strategies to investors. This is in part because underlying investments are not widely required to, and may not currently, report by reference to the same data. In addition, the European Commission has requested advice from the European Supervisory Authorities on (i) streamlining and developing further the regulatory framework; (ii) potentially extending the lists of universal indicators for PAIs; and (iii) refining the content of all the PAI indicators and their respective definitions, applicable methodologies, metrics, and presentation. The Investment Manager's position on this matter will be reviewed as and when there is more regulatory certainty and at least annually.

Further information on GMO's approach to sustainability risks is available at GMO - SFDR framework.

GMO GLOBAL INVESTMENT FUNDS PLC

SUSTAINABLE FINANCE DISCLOSURES REGULATION

A sustainability risk is an ESG event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of an investment. The Company invests in Government Securities, in investment grade bonds (including convertible bonds) denominated in various currencies or in multi-currency units and in derivative securities relating thereto. Due to the nature and size of the investments of the Fund, the investment decisions of the Investment Manager in relation to the Fund do not integrate sustainability risks. Accordingly, sustainability risks are not deemed relevant to the investment decision-making process for the Fund and the Investment Manager does not carry out an assessment of the likely impact of sustainability risks on the returns of the Fund.

The Investment Manager does not consider the principal adverse impacts ("PAIs") of its investment decisions on sustainability factors, within the meaning of Article 4(1)(a) of SFDR, for the time being. The Investment Manager does not currently do so because, among other reasons, the Investment Manager is not, in its view, currently in a position to obtain and/or measure all the data which it would be required by SFDR to report, or to do so systematically, consistently and at a reasonable cost with respect to all its investment strategies to investors. This is in part because underlying investments are not widely required to, and may not currently, report by reference to the same data. In addition, the European Commission has requested advice from the European Supervisory Authorities on (i) streamlining and developing further the regulatory framework; (ii) potentially extending the lists of universal indicators for PAIs; and (iii) refining the content of all the PAI indicators and their respective definitions, applicable methodologies, metrics, and presentation. The Investment Manager's position on this matter will be reviewed as and when there is more regulatory certainty and at least annually.

Further information on GMO's approach to sustainability risks is available at GMO - SFDR framework.

GMO EMERGING COUNTRY DEBT INVESTMENT FUND PLC

SUSTAINABLE FINANCE DISCLOSURES REGULATION

The Fund has adopted the Investment Manager's policy in relation to the integration of sustainability risks into investment decisions for the Funds. A sustainability risk is an ESG event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of an investment. The Investment Manager generally measures any relevant ESG matters using third-party standards, guidelines and metrics, data from issuers comprised in portfolios managed or advised by the Investment Manager (including the Fund, other funds or accounts), company reports and publicly available information, as the Investment Manager deems relevant from time to time.

The Investment Manager has integrated sustainability risks, as a sub-set of risks generally that could cause an actual or potential material negative impact on the value of an investment, as part of its investment decision-making process for the Fund. If appropriate for an investment, the Investment Manager may conduct sustainability risk-related due diligence and/or take steps to mitigate sustainability risks and preserve the value of the investment. The Investment Manager is committed to continuously improving its understanding of how the integration of ESG factors can improve the Fund's investment results and seeks to focus on ESG considerations which can improve the Fund's risk-adjusted return potential.

One of the ways it does so is to estimate, via a quantitative process, the creditworthiness (that is, the risk of default) of sovereign emerging countries in comparison to those countries' bond yields, towards decisions on how much of the portfolio to allocate to each country and/or sector. In addition to traditional economic and financial inputs into this process, the Investment Manager curates ESG-related data from various public sources towards creating its own ESG scores, which are then included as inputs into the process. The Investment Manager also considers qualitative ESG-related criteria that are not easily quantifiable in its decision-making process. All things being equal, this means that countries / issuers with better ESG quality, according to the Investment Manager's methodology, will tend to appear more creditworthy under this approach and, assuming similar yields to those of their lower ESG quality counterparts, attract a larger share of the portfolio's assets than would be the case had ESG-related considerations not been taken into account. The Investment Manager does not seek to exclude holdings deemed inconsistent with its ESG criteria.

The Fund may be exposed to certain potential sustainability risks as, amongst others, reflected in the section of the Prospectus entitled "Risk Factors – Sustainability Risk". Notwithstanding the foregoing, sustainability risks will not be relevant to certain non-core activities undertaken by the Fund (for example, cash management). As of the date hereof, the portfolio of the Fund is comprised of different investments that may change over time as a result of specific investment decisions made and accordingly the identification and assessments of risks, including sustainability risks, will take place on an investment-by-investment basis as noted above. The Investment Manager's assessment is that integration of known sustainability risks in investment decisions, combined with a diversified portfolio appropriate for the Fund in light of its investment objective and strategy, should help mitigate the potential material negative impact of sustainability risks on the returns of the Fund, although there can be no assurance that all such risks will be mitigated in whole or in part, nor identified prior to the date of investment.

The Investment Manager does not consider the principal adverse impacts ("PAIs") of its investment decisions on sustainability factors, within the meaning of Article 4(1)(a) of SFDR, for the time being. The Investment Manager does not currently do so because, among other reasons, the Investment

Manager is not, in its view, currently in a position to obtain and/or measure all the data which it would be required by SFDR to report, or to do so systematically, consistently and at a reasonable cost with respect to all its investment strategies to investors. This is in part because underlying investments are not widely required to, and may not currently, report by reference to the same data. In addition, the European Commission has requested advice from the European Supervisory Authorities on (i) streamlining and developing further the regulatory framework; (ii) potentially extending the lists of universal indicators for PAIs; and (iii) refining the content of all the PAI indicators and their respective definitions, applicable methodologies, metrics, and presentation. The Investment Manager's position on this matter will be reviewed as and when there is more regulatory certainty and at least annually.

Further information on GMO's approach to sustainability risks is available at GMO - SFDR framework.

APPENDIX 2

SFDR WEBSITE DISCLOSURES

This document provides detailed information regarding GMO's Article 8 and Article 9 Funds as required under Article 10 SFDR.

<u>GMO Climate Change Investment Fund</u>

SFDR classification

The Fund is an Article 8 Fund within the meaning of SFDR.

Summary

The Fund's investment objective is to seek high total return. The Investment Adviser seeks to achieve the Fund's investment objective by investing primarily in equities of companies the Investment Adviser believes are positioned to directly or indirectly benefit 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 improve the efficiency of resource consumption.

The Investment Adviser considers such companies to include companies involved in industries relating to clean energy, batteries and storage, electric grid, energy efficiency, recycling and pollution control, agriculture, water, and businesses that service such industries. Due to the far-reaching effects and evolving innovation related to climate change, the Investment Adviser expects the universe of such companies to be involved in a wide array of businesses.

The Fund promotes the environmental and social characteristics described above and will have a minimum of 70% of its portfolio in sustainable investments but it does not have an overall sustainable investment objective.

A reference benchmark is not used for the purposes of attaining the environmental characteristics promoted by the Fund.

GMO uses the sustainability indicators described below under "*Methodologies for environmental or social characteristics*" to measure and monitor the attainment of the environmental characteristics which the Fund promotes. In order to assess each holding's adherence to the sustainability indicators, GMO refers to data from investee companies and third-party data providers, and where data coverage is insufficient GMO may make use of its own proprietary research and information and data gleaned from regulatory filings made by investee companies.

The Investment Adviser selects the securities the Fund buys or sells based on its evaluation of issuers' published financial information and corporate behaviour (such as profit warnings, share issuance or repurchase, and director dealings in company stock), sustainability and other ESG (environmental, social and governance) criteria, securities' prices, commodities' prices, equity and bond markets, the overall global economy, and governmental policies.

When considering an investment, the Investment Adviser will consider whether the issuer meets its minimum threshold for good governance practices, which incorporate fundamental and quantitative assessments of areas such as a company's management, audit and internal controls, employee relations, compensation practices, and tax and regulatory compliance. Investee companies are then monitored for on-going compliance with these standards. In the case where an investee company demonstrates sustained poor governance practices, the Investment Adviser will consider both engagement and divestment. Part of that determination will consider the potential that engagement with such company could facilitate corrective action.

No sustainable investment objective

This financial product promotes environmental or social characteristics, but does not have as its objective sustainable investment.

While the Fund does not have sustainable investment as its objective, it will have a minimum proportion of 70% of sustainable investments. The Investment Adviser shall ensure that the sustainable investments of the Fund do not significantly harm either the environmental or social objective set out in SFDR, as amended, taking into account the life cycle of products and services provided by the economic activities engaged in by the relevant companies, and the companies in which the Fund invests follow good governance practices, in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance.

The Investment Adviser takes into account the indicators for adverse impacts in Table 1 of Annex I and any relevant indicators in Tables 2 and 3 of Annex I to the Regulatory Technical Standards on SFDR by applying a sub-set of those indicators at the stage of the initial investment in the relevant securities and on an ongoing basis depending on the nature of the investee company. Such adverse impact indicators are addressed on an ongoing basis with investee companies through stewardship activities, including proxy voting, one-to-one engagement and collective engagement initiatives such as the Carbon Disclosure Project.

The Fund's sustainable investments will not include companies which contravene the OECD Guidelines for Multinational Enterprises or the UN Guiding Principles on Business and Human Rights. The Investment Adviser uses data from third party providers to identify potential contraventions. In the event that there are differences between the third party data providers' views of an investee company's alignment with the OECD Guidelines for Multinational Enterprises or with the UN Guiding Principles on Business and Human Rights, or the Investment Adviser disagrees with the conclusions reached by one or more such third party data providers, the Investment Adviser will carry out its own assessment which may be informed by the third party data and its own internal research.

Environmental or social characteristics of the financial product

The Fund promotes environmental characteristics by investing primarily in equities of companies that the Investment Adviser believes are positioned to directly or indirectly benefit 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 improve the efficiency of resource consumption.

Investment strategy

The Investment Adviser seeks to achieve the Fund's investment objective by investing primarily in equities of companies the Investment Adviser believes are positioned to directly or indirectly benefit 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 improve the efficiency of resource consumption.

In selecting securities for the Fund, the Investment Adviser uses a combination of investment methods to identify securities the Investment Adviser believes have positive return potential. Some of these methods evaluate individual issuers or groups of issuers based on the ratio of their security price to historical financial information and forecasted financial information, such as profitability, cash flow and earnings, and a comparison of these ratios to current and historical industry, market or company averages. Other methods focus on patterns of information, such as price movement or volatility of a security or groups of securities. The Fund may invest its assets in securities of companies of any market capitalisation and may invest a significant portion of its assets in securities of companies with smaller market capitalisation. The Fund has no limit on the amount it may invest in any single asset class, sector, country, or region. At times, the Fund may have substantial exposure to a single industry, asset class, sector, country or region.

When considering an investment, the Investment Adviser will consider whether the issuer meets its minimum threshold for good governance practices, which incorporate fundamental and quantitative assessments of areas such as a company's management, audit and internal controls, employee relations, compensation practices, and tax and regulatory compliance. Investee companies are then monitored for on-going compliance with these standards. In the case where an investee company demonstrates sustained scores below the minimum investment threshold, the Investment Adviser will consider both engagement and divestment.

For further information, please see the 'Investment Objectives and Policies of the Funds' section of the Prospectus.

Proportion of investments

GMO intends that 100% of the Fund's direct and indirect investments, excluding cash on deposit and other ancillary liquid assets, will be aligned with the environmental and social characteristics described above.

In addition, the Fund will have a minimum proportion of 70% of sustainable investments.

Monitoring of environmental or social characteristics

Each direct and indirect investment's performance against, and adherence to, the sustainability indicators described immediately below under "*Methodologies for environmental or social characteristics*" is monitored and assessed on an ongoing basis.

Methodologies for environmental or social characteristics

The sustainability indicators used to measure the attainment of the environmental characteristics promoted by the Fund are:

i) the requirement that investee companies generate 50% or more of revenues from activities related to Climate Change Mitigation or Climate Change Adaptation (each as defined below) as determined by the Investment Adviser or are projected by the Investment Adviser at the time of investment to generate 50% or more of revenues from such activities within a five year period; and

ii) the percentage of holdings that comply with the Fund's exclusionary criteria, which precludes investment in companies that are part of the Carbon Underground 200 list, which is a list of the top 100 coal and the top 100 oil and gas publicly-traded reserve holders globally, ranked by the potential carbon emissions content of their reported reserves.

For the purposes of i) above, the Investment Adviser considers activities related to "Climate Change Mitigation" to be those that contribute to the clean energy transition or lower carbon intensity activities, including, without limitation, companies in the following sectors: clean energy (e.g., solar, wind biofuels); batteries and storage; electric grid; energy efficiency; and efficiency technology and materials. The Investment Adviser considers activities related to "Climate Change Adaptation" to be those that aid the world's ability to adapt to actual and expected climate change and its impacts, including, without limitation, companies in the following sectors: agriculture (e.g., farming, timber, fish farming); water treatment, efficiency and recycling; and energy-efficient air conditioning.

For the avoidance of doubt, the terms "Climate Change Mitigation" and "Climate Change Adaptation" referred to above are as defined under the proprietary framework adopted by the Investment Adviser. The Fund does not currently intend to be aligned with the Taxonomy Regulation nor does the Investment Adviser currently collect Taxonomy-related data. Accordingly, 0% of the Fund's investments will be aligned with the environmental objectives under the Taxonomy Regulation.

Data sources and processing

The Investment Adviser uses the following data sources to attain the environmental characteristics promoted by the Fund:

i) **Publicly available company data**: this is the Investment Adviser's primary source of information as part of its fundamental analysis enabling the Investment Adviser to assess the percentage of an investee company's current and projected revenue from activities related to Climate Change Mitigation or Climate Change Adaptation; and

ii) **Carbon Underground 200 list**: this is a list of the top 100 coal and the top 100 oil and gas publicly-traded reserve holders globally, ranked by the potential carbon emissions content of their reported reserves.

All data sources used are reviewed regularly by the Investment Adviser.

Measures taken by the Investment Adviser to ensure data quality

The Investment Adviser conducts due diligence as appropriate on third-party data providers which includes an assessment on data quality and material changes in associated methodologies.

How data is processed

Both proprietary and third-party data is accessible by the Investment Adviser's investment teams.

The proportion of data that is estimated

The Investment Adviser sources existing revenue data from third-party data sources and it is not expected that any material percentage of such data is estimated. The Investment Adviser's projections of future revenues, as referred to above under "*Methodologies for environmental or social characteristics*", may form a considerable proportion of the overall data set.

Limitations to methodologies and data

In certain circumstances, sufficient data to conduct a thorough analysis of the merits of an investment may not be available to GMO. Where insufficient data is available from investee companies and third-party data providers, GMO may make use of its own proprietary research and information and data gleaned from regulatory filings made by investee companies. Accordingly, any such limitations on data coverage are not expected to affect how the environmental characteristics promoted by the Fund are met.

Due diligence

The Investment Adviser selects the securities the Fund buys or sells based on its evaluation of issuers' published financial information and corporate behaviour (such as profit warnings, share issuance or repurchase, and director dealings in company stock), sustainability and other ESG (environmental, social and governance) criteria, securities' prices, commodities' prices, equity and bond markets, the overall global economy, and governmental policies. In selecting investments, the Investment Adviser assesses the governance of companies and issuers in which the Fund may invest, and in particular may review their management behaviour, accounting practices, and responsiveness to shareholders and other stakeholders. The Investment Adviser may meet with company management to confirm conclusions drawn from the Investment Adviser's research, and may use discussions with management and on-site visits as an integral part of the investment selection process.

Engagement policies

When monitoring investee companies, the relevant portfolio managers and investment team may choose to divest if they identify a material unresolvable issue. Alternatively, the portfolio managers and investment team may consider whether there is a reasonable basis for believing that the investee company has the ability and is willing to correct its deficiencies. Part of that determination will also consider the potential that engagement with such company could facilitate corrective action. In such cases, the portfolio managers and investment team may choose to invest (or remain invested) on that basis.

In addition, as noted above under "*No sustainable investment objective*", the Investment Adviser addresses adverse impact indicators on an ongoing basis with investee companies through stewardship activities, including proxy voting, one-to-one engagement and collective engagement initiatives such as the Carbon Disclosure Project.

Designated reference benchmark

N/A.

<u>GMO Climate Change Select Investment Fund</u>

SFDR classification

The Fund is an Article 9 Fund within the meaning of SFDR.

Summary

The Fund's investment objective is to seek high total return by investing in equities of companies the Investment Adviser believes are positioned to directly or indirectly contribute to 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 improve the efficiency of resource consumption. While the Fund has sustainable investment as its objective as described in the foregoing sentence, a reduction in carbon emissions does not form part of such objective.

The Investment Adviser considers the companies positioned to directly or indirectly contribute to the Fund's sustainable investment objective to include companies involved in industries relating to clean energy, batteries and storage, electric grid, energy efficiency, recycling and pollution control, agriculture, water, and businesses that service such industries. Due to the far-reaching effects and evolving innovation related to climate change, the Investment Adviser expects the universe of such companies to be involved in a wide array of businesses.

The Fund will have a minimum proportion of 90% of its portfolio in sustainable investments. A reference benchmark is not used for the purposes of attaining the Fund's sustainable investment objective.

GMO uses the sustainability indicators described below under "*Methodologies*" to measure and monitor the attainment of the Fund's sustainable investment objective. In order to assess each holding's adherence to the sustainability indicators, GMO refers to data from investee companies and third-party data providers, and where data coverage is insufficient GMO may make use of its own proprietary research and information and data gleaned from regulatory filings made by investee companies.

The Investment Adviser selects the securities the Fund buys or sells based on its evaluation of issuers' published financial information and corporate behaviour (such as profit warnings, share issuance or repurchase, and director dealings in company stock), sustainability and other ESG (environmental, social and governance) criteria, securities' prices, commodities' prices, equity and bond markets, the overall global economy, and governmental policies. The Investment Adviser may meet with company management to confirm conclusions drawn from the Investment Adviser's research, and may use discussions with management and on-site visits as an integral part of the investment selection process

When considering an investment, the Investment Adviser will consider whether the issuer meets its minimum threshold for good governance practices, which incorporate fundamental and quantitative assessments of areas such as a company's management, audit and internal controls, employee relations, compensation practices, and tax and regulatory compliance. Investee companies are then monitored for on-going compliance with these standards. In the case where an investee company demonstrates sustained poor governance practices, the Investment Adviser will consider both engagement and divestment. Part of that determination will consider the potential that engagement with such company could facilitate corrective action.

No significant harm to the sustainable investment objective

The Fund will have a minimum proportion of 90% of sustainable investments. The Investment Adviser shall ensure that the sustainable investments of the Fund do not significantly harm either the environmental or social objective set out in SFDR, as amended, taking into account the life cycle of products and services provided by the economic activities engaged in by the relevant companies, and the companies in which the Fund invests follow good governance practices, in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance.

The Investment Adviser takes into account the indicators for adverse impacts in Table 1 of Annex I and any relevant indicators in Tables 2 and 3 of Annex I to the Regulatory Technical Standards on SFDR by applying a sub-set of those indicators at the stage of the initial investment in the relevant securities and on an ongoing basis depending on the nature of the investee company. Such adverse impact indicators are addressed on an ongoing basis with investee companies through stewardship activities, including proxy voting, one-to-one engagement and collective engagement initiatives such as the Carbon Disclosure Project.

The Fund's sustainable investments will not include companies which contravene the OECD Guidelines for Multinational Enterprises or the UN Guiding Principles on Business and Human Rights. The Investment Adviser uses data from third party providers to identify potential contraventions. In the event that there are differences between the third party data providers' views of an investee company's alignment with the OECD Guidelines for Multinational Enterprises or with the UN Guiding Principles on Business and Human Rights, or the Investment Adviser disagrees with the conclusions reached by one or more such third party data providers, the Investment Adviser will carry out its own assessment which may be informed by the third party data and its own internal research.

Sustainable investment objective of the financial product

The sustainable investment objective of the Fund is to invest in equities of companies that the Investment Adviser believes are positioned to directly or indirectly contribute to 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 improve the efficiency of resource consumption. While the Fund has sustainable investment as its objective as described in the foregoing sentence, a reduction in carbon emissions does not form part of its objective.

Investment strategy

The invested assets of the Fund are primarily comprised of investments in the types of companies that contribute to the Fund's sustainable investment objective. The remainder of the Fund's invested assets are invested for the purposes of cash management, hedging or other efficient portfolio management purposes which are in line with the Fund's sustainable investment objective.

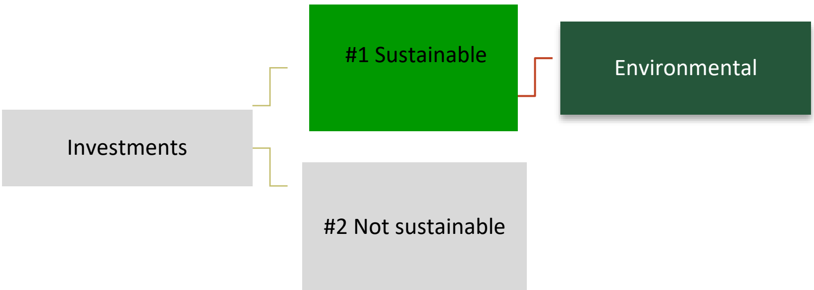
In selecting securities for the Fund, the Investment Adviser uses a combination of the following investment methods to identify securities the Investment Adviser believes both have positive return potential and contribute to the Fund's sustainable investment objective. The Investment Adviser calculates the positive return potential and evaluates individual issuers or groups of issuers based on the ratio of their security price to historical financial information and forecasted financial information, such as profitability, cash flow and earnings, and compares these ratios to current and historical industry, market or company averages. The Investment Adviser may also focus on patterns of information, such as price movement or volatility of a security or groups of securities. The Fund may invest its assets in securities of issuers of any market capitalisation and may invest a significant portion of its assets in securities of issuers with smaller market capitalisation. The Fund has no limit on the amount it may invest in any single asset class, sector, country, or region. At times, the Fund may have substantial exposure to a single industry, asset class, sector, country or region.

When considering an investment, the Investment Adviser will consider whether the issuer meets its minimum threshold for good governance practices, which incorporate fundamental and quantitative assessments of areas such as a company's management, audit and internal controls, employee relations, compensation practices, and tax and regulatory compliance. Investee companies are then monitored for on-going compliance with these standards. In the case where an investee company demonstrates sustained poor good governance practices, the Investment Adviser will consider both engagement and divestment.

For further information, please see the 'Investment Objectives and Policies of the Funds' section of the Prospectus.

Proportion of investments

GMO intends that 100% of the Fund's direct and indirect investments, excluding cash on deposit and other ancillary liquid assets, will be used to meet the sustainable investment objective. In addition, the Fund will have a minimum proportion of 90% of sustainable investments.



#1 Sustainable covers sustainable investments with environmental or social objectives.

#2 Not sustainable includes investments which do not qualify as sustainable investments.

Monitoring of sustainable investment objective

Each direct and indirect investment's performance against, and adherence to, the sustainability indicators described immediately below under "*Methodologies*" is monitored and assessed on an ongoing basis.

Methodologies

The sustainability indicators used to measure the attainment of the Fund's sustainable investment objective are:

i) the requirement that investee companies generate 50% or more of revenues from activities related to Climate Change Mitigation or Climate Change Adaptation (each as defined below) as determined by the Investment Adviser or are projected by the Investment Adviser at the time of investment to generate 50% or more of revenues from such activities within a five year period; and

ii) the percentage of holdings that comply with the Fund's exclusionary criteria, which precludes investment in companies that feature on an exclusion list maintained on its website at www.gmo.com/ccs-exclusion-list.com. The exclusion list is informed by external lists, such as the Norges Bank List of Excluded Companies, along with other external and internal inputs. The exclusion list also contains companies that the Investment Adviser believes are directly complicit in violations of core international norms and conventions, as described in the United Nations Global Compact Principles. Companies that are part of the Carbon Underground 200 list are also excluded, which is a list of the top 100 coal and the top 100 oil and gas publicly-traded reserve holders globally, ranked by the potential carbon emissions content of their reported reserves.

For the purposes of i) above, the Investment Adviser considers activities related to "Climate Change Mitigation" to be those that contribute to the clean energy transition or lower carbon intensity activities, including, without limitation, companies in the following sectors: clean energy (e.g., solar, wind biofuels); batteries and storage; electric grid; energy efficiency; and efficiency technology and materials. The Investment Adviser considers activities related to "Climate Change Adaptation" to be those that aid the world's ability to adapt to actual and expected climate change and its impacts, including, without limitation, companies in the following sectors: agriculture (e.g., farming, timber, fish farming); water treatment, efficiency and recycling; and energy-efficient air conditioning.

For the avoidance of doubt, the terms "Climate Change Mitigation" and "Climate Change Adaptation" referred to above are as defined under the proprietary framework adopted by the Investment Adviser. The Fund does not currently intend to be aligned with the Taxonomy Regulation nor does the Investment Adviser currently collect Taxonomy-related data. Accordingly, 0% of the Fund's investments will be aligned with the environmental objectives under the Taxonomy Regulation.

Data sources and processing

The Investment Adviser uses the following data sources to attain the sustainable investment objective of the Fund:

i) **Publicly available company data**: this is the Investment Adviser's primary source of information as part of its fundamental analysis enabling the Investment Adviser to assess the percentage of an investee company's current and projected revenue from activities related to Climate Change Mitigation or Climate Change Adaptation; and

ii) **Exclusions lists maintained by third-parties**: the exclusions list for the Fund is informed by external lists, such as the Norges Bank List of Excluded Companies.

All data sources used are reviewed regularly by the Investment Adviser.

Measures taken by the Investment Adviser to ensure data quality

The Investment Adviser conducts due diligence as appropriate on third-party data providers which includes an assessment on data quality and material changes in associated methodologies.

How data is processed

Both proprietary and third-party data is accessible by the Investment Adviser's investment teams.

The proportion of data that is estimated

The Investment Adviser sources existing revenue data from third-party data sources and it is not expected that any material percentage of such data is estimated. The Investment Adviser's projections of future revenues, as referred to above under "*Methodologies*", may form a considerable proportion of the overall data set.

Limitations to methodologies and data

In certain circumstances, sufficient data to conduct a thorough analysis of the merits of an investment may not be available to GMO. Where insufficient data is available from investee companies and third-party data providers, GMO may make use of its own proprietary research and information and data gleaned from regulatory filings made by investee companies. Accordingly, any such limitations on data coverage are not expected to affect how the sustainable investment objective of the Fund is met.

Due diligence

The Investment Adviser selects the securities the Fund buys or sells based on its evaluation of issuers' published financial information and corporate behaviour (such as profit warnings, share issuance or repurchase, and director dealings in company stock), sustainability and other ESG (environmental, social and governance) criteria, securities' prices, commodities' prices, equity and bond markets, the overall global economy, and governmental policies. In selecting investments, the Investment Adviser assesses the governance of companies and issuers in which the Fund may invest, and in particular may review their management behaviour, accounting practices, and responsiveness to shareholders and other stakeholders. The Investment Adviser may meet with company management to confirm conclusions drawn from the Investment Adviser's research, and may use discussions with management and on-site visits as an integral part of the investment selection process.

Engagement policies

When monitoring investee companies, the relevant portfolio managers and investment team may choose to divest if they identify a material unresolvable issue. Alternatively, the portfolio managers and investment team may consider whether there is a reasonable basis for believing that the investee company has the ability and is willing to correct its deficiencies. Part of that determination will also consider the potential that engagement with such company could facilitate corrective action. In such cases, the portfolio managers and investment team may choose to invest (or remain invested) on that basis.

In addition, as noted above under "*No significant harm to the sustainable investment objective*", the Investment Adviser addresses adverse impact indicators on an ongoing basis with investee companies through stewardship activities, including proxy voting, one-to-one engagement and collective engagement initiatives such as the Carbon Disclosure Project.

Designated reference benchmark

N/A.

Attainment of the sustainable investment objective

The Fund's attainment of its sustainable investment objective is measured by reference to the sustainability indicators described above under "*Methodologies*".

The Fund does not have a reduction in carbon omissions as its objective.

An index has not been designated as a reference index for the purposes of the Fund's sustainable investment objective.

<u>GMO Emerging Markets Ex-China Equity Fund</u>

SFDR classification

The Fund is an Article 8 Fund within the meaning of SFDR.

Summary

The Fund aims to achieve a return in excess of the MSCI Emerging Markets ex-China Index ("the "**Benchmark**") through investing in equity securities listed or traded on regulated markets of emerging market countries in Asia, Latin America, the Middle East, Africa and Europe or equity securities listed or traded on regulated markets of issuers that, at the time of purchase, are organised under the laws of an emerging market country or maintain their principal place of business in an emerging market country or derive significant revenues or profits from goods produced or sold, investments made, or services performed in emerging market countries, or have substantial assets in emerging market countries. In addition, the Fund may invest in companies that the Investment Adviser believes are likely to benefit from growth in the emerging market countries.

The Fund also aims to achieve a portfolio-level carbon intensity that is below the level of that of the Benchmark. In this context, a company's carbon intensity is equal to its carbon dioxide emissions (in tonnes) per million dollars of sales.

The Fund has had and is expected to continue to have a value bias relative to the Benchmark. As a result, it has historically tended to have overweight positions in sectors (e.g., energy and materials) which have had higher carbon intensity levels than other sectors. Consequently, the Investment Adviser believes that using the Benchmark for its carbon intensity goal is a more significant undertaking than using a more value-oriented index that matches the sectors favoured by the Fund.

The Fund promotes the environmental characteristics described above but it does not have an overall sustainable investment objective. A reference benchmark is not used for the purposes of attaining the environmental characteristics promoted by the Fund. However, see above for the relevance of the Benchmark to the investment selection process applied by the Investment Adviser.

GMO uses the sustainability indicator described below under "*Methodologies for environmental or social characteristics*" to measure and monitor the attainment of the environmental characteristics which the Fund promotes. In order to assess each holding's adherence to the sustainability indicators, GMO refers to data from investee companies and third-party data providers. Although there is not data coverage for all companies, there is typically coverage for more than 90% of the companies owned by the Fund and the weighted average of the covered companies is used to extrapolate the Fund's overall carbon intensity number.

The Investment Adviser uses proprietary quantitative techniques and fundamental analytical techniques to evaluate and select countries, sectors, and equity investments based on factors including, but not limited to, valuation, quality, patterns of price movement and volatility, and macroeconomic factors. In constructing the Fund's portfolio, the Investment Adviser considers the trade-off among forecasted returns, risk relative to the Benchmark, transaction costs, and liquidity. The Investment Adviser may also adjust the Fund's portfolio for the following factors: position size; market capitalisation; and exposure to particular industries, sectors, countries, regions, or currencies.

When considering an investment, the Investment Adviser will consider whether the issuer meets its minimum threshold for good governance practices, which incorporate quantitative assessment metrics of a company's management, audit and internal controls, employee relations, compensation practices, and tax and regulatory compliance. Investee companies are then monitored for on-going compliance with these standards. In the case where an investee company demonstrates sustained scores below the minimum investment threshold, the Investment Adviser will consider both engagement and divestment. Part of that determination will consider the potential that engagement with such company could facilitate corrective action.

No sustainable investment objective

This financial product promotes environmental or social characteristics, but does not have as its objective, sustainable investment.

Environmental or social characteristics of the financial product

The Fund aims to achieve a portfolio-level carbon intensity that is below the level of that of the Benchmark.

To measure the carbon intensity of the Fund against that of the Benchmark, the Investment Adviser uses a metric applied to each company based on the ratio of a company's carbon dioxide emissions (in tonnes) per million dollars of sales. The carbon intensity metric uses a company's most recently reported or estimated greenhouse gas emissions normalised by sales, which allows for comparison between companies of different sizes. The carbon intensity of each of the Fund's portfolio and the Benchmark is a weighted average of the carbon intensities of the underlying companies. Although there is not data coverage for all companies, there is typically coverage for more than 90% of the companies owned by the Fund and the weighted average of the covered companies is used to extrapolate the Fund's overall carbon intensity number. The Benchmark is not constructed specifically to incorporate ESG considerations. Further details on the methodology used for the calculation of the Benchmark can be found at: https://www.msci.com.

In the event that the portfolio-level carbon intensity of the Fund reaches or exceeds that of the Benchmark, the Investment Adviser shall adjust the composition of the portfolio of the Fund to bring the portfolio-level carbon intensity of the Fund below that of the Benchmark as soon as reasonably practicable having regard to the best interests of the Fund and its Shareholders.

Investment strategy

The Fund will aim to achieve a return in excess of its Benchmark through investing in equity securities listed or traded on regulated markets of emerging market countries in Asia (excluding China), Latin America, the Middle East, Africa and Europe or equity securities listed or traded on regulated markets of issuers that, at the time of purchase, are organised under the laws of an emerging market country (excluding China) or maintain their principal place of business in an emerging market country (excluding China) or derive significant revenues or profits from goods produced or sold, investments made, or services performed in emerging market countries (excluding China), or have substantial assets in emerging market countries (excluding China). In addition, the Fund may invest in companies that the Investment Adviser believes are likely to benefit from growth in the emerging market countries. The Investment Adviser expects that the Fund will have a value bias relative to its Benchmark.

The Investment Adviser uses proprietary quantitative techniques and fundamental analytical techniques to evaluate and select countries, sectors, and equity investments based on factors including, but not limited to, valuation, quality, patterns of price movement and volatility, and macroeconomic factors. In constructing the Fund's portfolio, the Investment Adviser considers the trade-off among forecasted returns, risk relative to the Benchmark, transaction costs, and liquidity. The Investment Adviser may also adjust the Fund's portfolio for the following factors: position size, market capitalisation, and exposure to particular industries, sectors, countries, regions, or currencies. It is not proposed to concentrate investments in any one industry or geographic sector, however, at times, the Fund may have substantial exposure to a single asset class, industry, sector, country, region, issuer, or currency or companies with similar market capitalisations. The Fund may invest in securities of companies of any market capitalisation.

The Investment Adviser has integrated sustainability risks, as a sub-set of risks generally that could cause an actual or potential material negative impact on the value of an investment, as part of its investment decision-making process for the Fund. If the Investment Adviser determines that sustainability risks could cause such a material negative impact, the Investment Adviser may conduct sustainability risk-related due diligence and/or take steps to mitigate sustainability risks and preserve the value of the investment. The Investment Adviser is committed to continuously improving its understanding of how the integration of ESG factors can improve the Fund's investment results and seeks to focus on ESG considerations which can improve the Fund's risk-adjusted return potential.

The Fund incorporates ESG at both the country and issuer levels. The Investment Adviser's assessment of the macro quality of a country includes signals used to identify the vulnerability of a country from an ESG perspective. The proprietary assessment framework sources a variety of ESG preparedness and performance signals across six categories: natural resources, climate change, standard of living, social empowerment, political governance and economic governance. At the issuer level, among the signals used in the Fund's stock quality model are ones that evaluate a company from an ESG perspective. To determine the materiality of an ESG issue for a company, the Investment Adviser looks at the type of business lines in which a company operates, its geographical footprint, the severity of the financial impact that the ESG issue itself may cause if not sufficiently managed, as well as the likelihood of and the time horizon over which, the financial impact is expected to occur. These issues cover areas such as product carbon emissions, packaging material and waste, privacy and data security, supply chain labour standards, ownership and control, and business ethics. The ESG scores of companies can materially impact the size of the investment in them.

When considering an investment, the Investment Adviser will consider whether the issuer meets its minimum threshold for good governance practices, which incorporate quantitative assessment metrics of a company's management, audit and internal controls, employee relations, compensation practices, and tax and regulatory compliance. Investee companies are then monitored for on-going compliance with these standards. In the case where an investee company demonstrates sustained scores below the minimum investment threshold, the Investment Adviser will consider both engagement and divestment.

For further information, please see the 'Investment Objectives and Policies of the Funds' section of the Prospectus.

Proportion of investments

GMO intends that 100% of the Fund's direct and indirect investments, excluding cash and other ancillary liquid assets and derivatives used for hedging purposes, will be aligned with the environmental characteristics described above.

Monitoring of environmental or social characteristics

GMO uses the sustainability indicator described immediately below under "*Methodologies for environmental or social characteristics*" to measure and monitor the attainment of the environmental characteristics which the Fund promotes on an ongoing basis.

In the event that the portfolio-level carbon intensity of the Fund reaches or exceeds that of the Benchmark, the Investment Adviser shall adjust the composition of the portfolio of the Fund to bring the portfolio-level carbon intensity of the Fund below that of the Benchmark as soon as reasonably practicable having regard to the best interests of the Fund and its Shareholders.

Methodologies for environmental or social characteristics

The sustainability indicator used to measure the attainment of the environmental characteristics promoted by the Fund is a measure of the carbon intensity of the Fund against that of the Benchmark. Details of how this measurement is calculated are above under "*Environmental or social characteristics of the financial product*".

Data sources and processing

The Investment Adviser uses published company data to attain the environmental characteristics promoted by the Fund. Such published data is the primary source of information used to measure the carbon intensity of each of the Fund and the Benchmark as a weighted average of the carbon intensities of the underlying companies.

All data sources used are reviewed regularly by the Investment Adviser.

Measures taken by the Investment Adviser to ensure data quality

The Investment Adviser conducts due diligence as appropriate on third-party data sources which includes an assessment on data quality and material changes in associated methodologies.

How data is processed

Both proprietary and third-party data is accessible by the Investment Adviser's investment teams.

The proportion of data that is estimated

The Investment Adviser sources carbon intensity data from third-party data sources and it is not expected that any material percentage of such data is estimated.

Limitations to methodologies and data

In certain circumstances, sufficient data to conduct a thorough analysis of the merits of an investment may not be available to GMO. Where insufficient data is available from investee companies and third-party data providers, GMO may make use of its own proprietary research and information and data gleaned from regulatory filings made by investee companies.

Although there is not data coverage in relation to carbon intensity for all companies, there is typically coverage for more than 90% of the companies owned by the Fund and the weighted average of the covered companies is used to extrapolate the Fund's overall carbon intensity number. Accordingly, any such limitations on data coverage are not expected to affect how the environmental characteristics promoted by the Fund are met.

Due diligence

The Investment Adviser uses proprietary quantitative techniques and fundamental analytical techniques to evaluate and select countries, sectors, and equity investments based on factors including, but not limited to, valuation, quality, patterns of price movement and volatility, and macroeconomic factors. In constructing the Fund's portfolio, the Investment Adviser considers the trade-off among forecasted returns, risk relative to the Benchmark, transaction costs, and liquidity. The Investment Adviser may also adjust the Fund's portfolio for the following factors: position size; market capitalisation; and exposure to particular industries, sectors, countries, regions, or currencies.

Engagement policies

Where monitoring of the good governance criteria identifies issues for an investee company, the relevant portfolio managers and investment team may choose to divest. Alternatively, the portfolio managers and investment team may consider whether there is a reasonable basis for believing that the investee company has the ability and is willing to correct its deficiencies. Part of that determination will also consider the potential that engagement with such company could facilitate corrective action. In such cases, the portfolio managers and investment team may choose to invest (or remain invested) on that basis.

Designated reference benchmark

N/A. However, see the "*Environmental or social characteristics of the financial product*" section above for the relevance of the Benchmark to the investment selection process applied by the Investment Adviser.

GMO Global Real Return (UCITS) Fund

SFDR classification

The Fund is an Article 8 Fund within the meaning of SFDR.

Summary

The Fund aims to achieve a return in excess of the G7 Consumer Price Index through investment globally in equities, debt, money market instruments, currencies, instruments relating to commodities indices, REITs and related derivatives.

GMO seeks to promote environmental or social characteristics by applying a number of exclusions to the Fund's investment universe. The Fund will not invest in: (i) companies that GMO believes are directly complicit in violations of core international norms and conventions, as described in the United Nations Global Compact Principles; (ii) sectors of the economy that GMO determines are environmentally or socially detrimental, such as coal, tar sands, tobacco, and munitions; (iii) countries or jurisdictions that have been removed from the MSCI ACWI + Frontier Markets Index; and (iv) companies included on certain third-party exclusion lists which may change from time to time. Notwithstanding the restriction in (iii) above, the Fund may invest in companies which do not form part of the MSCI ACWI + Frontier Markets Index, provided always that such companies have not previously been removed from the index. A current list of applicable exclusion lists is maintained on GMO's website at www.gmo.com/europe/grruf-exclusion-list/.

The Fund promotes the environmental and social characteristics described above but it does not have an overall sustainable investment objective. A reference benchmark is not used for the purposes of attaining the environmental and social characteristics promoted by the Fund.

GMO uses the sustainability indicators described below under "*Methodologies for environmental or social characteristics*" to measure and monitor the attainment of the environmental and social characteristics which the Fund promotes. In order to assess each holding's adherence to the sustainability indicators, GMO relies on exclusions lists maintained by third-parties and data from investee companies and third-party data providers. Where data coverage is insufficient GMO may make use of its own proprietary research and information and data gleaned from regulatory filings made by investee companies.

The Investment Manager uses its quantitative multi-year forecasts of returns among asset classes, together with its assessment of the relative risks of such asset classes, to determine the Fund's allocations to various asset classes. An important component of those forecasts is the Investment Manager's expectation that valuations ultimately revert to their fundamental fair (or intrinsic) value. Each asset class forecast incorporates the Investment Manager's proprietary ESG scores, calculated using a proprietary bottom-up process. Such ESG scores reflect the Investment Manager's assessment of how ESG events or conditions could cause a material impact on the performance of the relevant asset class. The forecasts of the asset classes and, consequently, the Fund's relative allocations among asset classes is impacted by the ESG scores. Everything else being equal, asset classes scoring poorly on ESG will be allocated less than they would have if their ESG scores were favourable. The Investment Manager changes the Fund's allocations to underlying asset classes and strategies in response to changes in its multi-year forecasts of returns among assets classes, its assessment of the relative risks of such asset classes, and market valuations.

When considering an investment within its fundamental strategies, GMO will consider whether the underlying issuer meets good governance practices, in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance. Analysis is undertaken on the level of exposure of a particular issuer with regard to relevant risks associated with good governance and, critically, management's actions to manage such risks. Good governance standards include board balance, independence, transparency, disclosure and the protection of shareholder rights, and a review of whether the issuer has been the subject of serious or ongoing concerns about unsustainable business practices, such as human rights and labour standards abuses, corruption and abuse of minority shareholders. When considering an investment within its quantitative strategies, GMO will consider whether the issuer meets its minimum threshold for good governance practices, which incorporate quantitative assessment metrics of a company's management, audit and internal controls, employee relations, compensation practices, and tax and regulatory compliance. Investee companies are then monitored for on-going compliance with these standards. In the case where an investee company demonstrates sustained scores below the minimum investment threshold, GMO will consider both engagement and divestment. Part of that determination will consider the potential that engagement with such company could facilitate corrective action.

No sustainable investment objective

This financial product promotes environmental or social characteristics, but does not have as its objective, sustainable investment.

Environmental or social characteristics of the financial product

The Investment Manager seeks to promote environmental or social characteristics by applying a number of exclusions from its investment universe. The Fund will not invest in: (i) companies that the Investment Manager believes are directly complicit in violations of core international norms and conventions, as described in the United Nations Global Compact Principles; (ii) sectors of the economy that the Investment Manager determines are environmentally or socially detrimental, such as coal, tar sands, tobacco, and munitions; (iii) countries or jurisdictions that have been removed from the MSCI ACWI + Frontier Markets Index; and (iv) companies included on certain third-party exclusion lists which may change from time to time. Notwithstanding the restriction in (iii) above, the Fund may invest in companies which do not form part of the MSCI ACWI + Frontier Markets Index, provided always that such companies have not previously been removed from the index. A current list of applicable exclusion lists is maintained on the Investment Manager's website at www.gmo.com/europe/grruf-exclusion-list/.

Investment strategy

The Investment Manager seeks to achieve the Fund's investment objective by investing in asset classes it believes offer the most attractive return and risk opportunities. The Investment Manager uses its quantitative multi-year forecasts of returns among asset classes, together with its assessment of the relative risks of such asset classes, to determine the Fund's allocations to various asset classes. An important component of those forecasts is the Investment Manager's expectation that valuations ultimately revert to their fundamental fair (or intrinsic) value. Each asset class forecast incorporates the Investment Manager's proprietary ESG scores, calculated using a proprietary bottom-up process. Such ESG scores reflect the Investment Manager's assessment of how ESG events or conditions could cause a material impact on the performance of the relevant asset class. The forecasts of the asset classes and, consequently, the Fund's relative allocations among asset classes is impacted by the ESG scores. Everything else being equal, asset classes scoring poorly on ESG will be allocated less than they would have if their ESG scores were favourable. The Investment Manager changes the Fund's allocations to underlying asset classes and strategies in response to changes in its multi-year forecasts of returns among assets classes, its assessment of the relative risks of such asset classes and market valuations. The factors the Investment Manager considers and investment methods it uses can change over time. The Investment Manager does not manage the Fund to, or control the Fund's risk relative to, any securities index or securities benchmark.

For further information, please see the 'Investment Objectives and Policies of the Funds' section of the Prospectus.

When considering an investment within its fundamental strategies, GMO will consider whether the underlying issuer meets good governance practices, in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance. Analysis is undertaken on the level of exposure of a particular issuer with regard to relevant risks associated with good governance and, critically, management's actions to manage such risks. Good governance standards include board balance, independence, transparency, disclosure and the protection of shareholder rights, and a review of whether the issuer has been the subject of serious or ongoing concerns about unsustainable business practices, such as human rights and labour standards abuses, corruption and abuse of minority shareholders. When considering an investment within its quantitative strategies, GMO will consider whether the issuer meets its minimum threshold for good governance practices, which incorporate quantitative assessment metrics of a company's management, audit and internal controls, employee relations, compensation practices, and tax and regulatory compliance. Investee companies are then monitored for on-going compliance with these standards. In the case where an investee company demonstrates sustained scores below the minimum investment threshold, GMO will consider both engagement and divestment.

Proportion of investments

GMO intends that 100% of the Fund's investments, excluding cash on deposit, will be aligned with the environmental and social characteristics described above.

Monitoring of environmental or social characteristics

Each direct and indirect investment's performance against, and adherence to, the sustainability indicators described immediately below under "*Methodologies for environmental or social characteristics*" is monitored and assessed on an ongoing basis.

Methodologies for environmental or social characteristics

As set out above, the Investment Manager seeks to promote environmental or social characteristics by applying a number of exclusions from its investment universe. The Fund will not invest in:

(i) companies that the Investment Manager believes are directly complicit in violations of core international norms and conventions, as described in the United Nations Global Compact Principles;
(ii) sectors of the economy that the Investment Manager determines are environmentally or socially detrimental, such as coal, tar sands, tobacco, and munitions;
(iii) countries or jurisdictions that have been removed from the MSCI ACWI + Frontier Markets Index; and
(iv) companies included on certain third-party exclusion lists which may change from time to time.

Notwithstanding the restriction in (iii) above, the Fund may invest in companies which do not form part of the MSCI ACWI + Frontier Markets Index, provided always that such companies have not previously been removed from the index. A current list of applicable exclusion lists is maintained on the Investment Manager's website at www.gmo.com/europe/grruf-exclusion-list/.

Data sources and processing

The Investment Manager uses published company data, data from third-party data providers, third-party exclusions lists and proprietary data to attain the environmental characteristics promoted by the Fund.

All data sources used are reviewed regularly by the Investment Manager.

Measures taken by the Investment Manager to ensure data quality

The Investment Manager conducts due diligence as appropriate on third-party data sources which includes an assessment on data quality and material changes in associated methodologies.

How data is processed

Both proprietary and third-party data is accessible by the Investment Manager's investment teams.

The proportion of data that is estimated

It is not expected that any material percentage of such data is estimated.

Limitations to methodologies and data

In certain circumstances, sufficient data to conduct a thorough analysis of the merits of an investment may not be available to GMO. Where insufficient data is available from investee companies and third-party data providers, GMO may make use of its own proprietary research and information and data gleaned from regulatory filings made by investee companies. Accordingly, any such limitations on data coverage are not expected to affect how the environmental characteristics promoted by the Fund are met.

Due diligence

The Investment Manager uses its quantitative multi-year forecasts of returns among asset classes, together with its assessment of the relative risks of such asset classes, to determine the Fund's allocations to various asset classes. An important component of those forecasts is the Investment Manager's expectation that valuations ultimately revert to their fundamental fair (or intrinsic) value. Each asset class forecast incorporates the Investment Manager's proprietary ESG scores, calculated using a proprietary bottom-up process. Such ESG scores reflect the Investment Manager's assessment of how ESG events or conditions could cause a material impact on the performance of the relevant asset class. The forecasts of the asset classes and, consequently, the Fund's relative allocations among asset classes is impacted by the ESG scores. Everything else being equal, asset classes scoring poorly on ESG will be allocated less than they would have if their ESG scores were favourable. The Investment Manager changes the Fund's allocations to underlying asset classes and strategies in response to changes in its multi-year forecasts of returns among assets classes, its assessment of the relative risks of such asset classes, and market valuations.

Engagement policies

Where monitoring of the good governance criteria identifies issues for an investee company, the relevant portfolio managers and investment team may choose to divest. Alternatively, the portfolio managers and investment team may consider whether there is a reasonable basis for believing that the investee company has the ability and is willing to correct its deficiencies. Part of that determination will also consider the potential that engagement with such company could facilitate corrective action. In such cases, the portfolio managers and investment team may choose to invest (or remain invested) on that basis.

Designated reference benchmark

N/A.

GMO Quality Select Investment Fund

SFDR classification

The Fund is an Article 8 Fund within the meaning of SFDR.

Summary

The Fund seeks total return by investing in equities and equity-related securities of companies the Investment Adviser believes to be of high quality. A high quality company is generally one that the

Investment Adviser believes has an established business that will deliver a high level of return on past investments and that will utilise cash flows in the future by making investments with potential for high levels of return on capital or by returning cash to shareholders through dividends, share buybacks, or other mechanisms.

The Fund will be managed to maintain a portfolio-level carbon footprint that is below the level of that of the MSCI World Index[2]. In the event that the carbon footprint of the Fund exceeds at any given time the carbon footprint of the MSCI World Index for reasons beyond the control of the Investment Adviser, the Investment Adviser shall adopt as a priority objective the remedying of that situation, taking due account of the interests of Shareholders.

The Investment Adviser excludes from the investment universe of the Fund: (i) companies that appear on Norges Bank's exclusion list https://www.nbim.no/en/responsible-investment/exclusion-of-companies/; and (ii) companies determined by the Investment Adviser to be in the following industries: fossil fuels, tobacco, alcohol, gambling, adult entertainment, and controversial munitions. The Investment Adviser's methodology for determining industry classifications is available at https://www.gmo.com/europe/IDM/ and may change from time to time.

The Fund promotes environmental and social characteristics through the means described above but it does not have an overall sustainable investment objective. A reference benchmark is not used for the purposes of attaining the environmental characteristics promoted by the Fund. However, see above for the relevance of the MSCI World Index to the investment selection process applied by the Investment Adviser.

GMO uses the sustainability indicators described below under "*Methodologies for environmental or social characteristics*" to measure and monitor the attainment of the environmental characteristics which the Fund promotes. In order to assess each holding's adherence to the sustainability indicators, GMO refers to data from investee companies and third-party data providers. Adherence to the exclusions lists is measured by reference to data from investee companies and third-party data providers. Where data coverage is insufficient GMO may make use of its own proprietary research and information and data gleaned from regulatory filings made by investee companies.

In selecting securities for the Fund, the Investment Adviser uses a combination of investment methods, typically considering both systematic factors, based on profitability, profit stability, leverage, and other publicly available financial information, and judgmental factors, based on an assessment of future profitability, capital allocation, sustainability against competitive forces, and growth opportunities. The Investment Adviser may also rely on valuation methodologies, such as discounted cash flow analysis and multiples of price to earnings, revenues, book value or other fundamental metrics. Security selection is subject to the portfolio-level carbon footprint constraint and exclusions described herein. Separately, the Investment Adviser may consider ESG (environmental, social and governance) criteria insofar as they relate to the valuation of investments, as well as trading patterns, such as price movement or volatility of a security or groups of securities.

At times, the Fund may have substantial exposure to a single asset class, industry, country, region, currency or issuer. The Fund may invest in securities of companies of any market capitalisation. The factors the Investment Adviser considers and investment methods it uses can change over time. The Investment Adviser does not manage the Fund to, or control the Fund's risk relative to, any securities index or securities benchmark.

When considering an investment within its fundamental strategies, the Investment Adviser will consider whether the underlying issuer meets good governance practices, in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance. Analysis is undertaken on the level of exposure of a particular issuer with regard to relevant risks associated with good governance and, critically, management's actions to manage such risks. Good governance

[2] Carbon footprint is measured in accordance with Annex I to the SFDR Level 2 Regulation save for the exclusion of scope 3 GHG emissions as a consequence of insufficient data coverage.

standards include board balance, independence, transparency, disclosure and the protection of shareholder rights, and a review of whether the issuer has been the subject of serious or ongoing concerns about unsustainable business practices, such as human rights and labour standards abuses, corruption and abuse of minority shareholders.

No sustainable investment objective

This financial product promotes environmental or social characteristics, but does not have as its objective, sustainable investment.

Environmental or social characteristics of the financial product

The Fund will be managed to maintain a portfolio-level carbon footprint that is below the level of that of the MSCI World Index[3]. In the event that the carbon footprint of the Fund exceeds at any given time the carbon footprint of the MSCI World Index for reasons beyond the control of the Investment Adviser, the Investment Adviser shall adopt as a priority objective the remedying of that situation, taking due account of the interests of Shareholders.

The Investment Adviser excludes from the investment universe of the Fund: (i) companies that appear on Norges Bank's exclusion list https://www.nbim.no/en/responsible-investment/exclusion-of-companies/ ; and (ii) companies determined by the Investment Adviser to be in the following industries: fossil fuels, tobacco, alcohol, gambling, adult entertainment, and controversial munitions. The Investment Adviser's methodology for determining industry classifications is available at https://www.gmo.com/europe/IDM/ and may change from time to time.

Investment strategy

The Fund seeks total return by investing in equities and equity-related securities of companies the Investment Adviser believes to be of high quality. A high quality company is generally one that the Investment Adviser believes has an established business that will deliver a high level of return on past investments and that will utilise cash flows in the future by making investments with potential for high levels of return on capital or by returning cash to shareholders through dividends, share buybacks, or other mechanisms. The Fund may make security investments in companies the stocks of which are listed or traded on Regulated Markets anywhere in the world.

In selecting securities for the Fund, the Investment Adviser uses a combination of investment methods, typically considering both systematic factors, based on profitability, profit stability, leverage, and other publicly available financial information, and judgmental factors, based on an assessment of future profitability, capital allocation, sustainability against competitive forces, and growth opportunities. The Investment Adviser may also rely on valuation methodologies, such as discounted cash flow analysis and multiples of price to earnings, revenues, book value or other fundamental metrics. Security selection is subject to the portfolio-level carbon footprint constraint and exclusions described herein. Separately, the Investment Adviser may consider ESG (environmental, social and governance) criteria insofar as they relate to the valuation of investments, as well as trading patterns, such as price movement or volatility of a security or groups of securities.

At times, the Fund may have substantial exposure to a single asset class, industry, country, region, currency or issuer. The Fund may invest in securities of companies of any market capitalisation. The factors the Investment Adviser considers and investment methods it uses can change over time. The Investment Adviser does not manage the Fund to, or control the Fund's risk relative to, any securities index or securities benchmark.

When considering an investment within its fundamental strategies, the Investment Adviser will consider whether the underlying issuer meets good governance practices, in particular with respect to sound

[3] Carbon footprint is measured in accordance with Annex I to the SFDR Level 2 Regulation save for the exclusion of scope 3 GHG emissions as a consequence of insufficient data coverage.

management structures, employee relations, remuneration of staff and tax compliance. Analysis is undertaken on the level of exposure of a particular issuer with regard to relevant risks associated with good governance and, critically, management's actions to manage such risks. Good governance standards include board balance, independence, transparency, disclosure and the protection of shareholder rights, and a review of whether the issuer has been the subject of serious or ongoing concerns about unsustainable business practices, such as human rights and labour standards abuses, corruption and abuse of minority shareholders.

For further information, please see the 'Investment Objectives and Policies of the Funds' section of the Prospectus.

Proportion of investments

GMO intends that 100% of the Fund's direct and indirect investments, excluding cash and other ancillary liquid assets and derivatives used for hedging purposes, will be aligned with the environmental characteristics described above.

Monitoring of environmental or social characteristics

GMO uses the sustainability indicators described immediately below under "*Methodologies for environmental or social characteristics*" to measure and monitor the attainment of the environmental characteristics which the Fund promotes on an ongoing basis.

In the event that the carbon footprint of the Fund exceeds at any given time the carbon footprint of the MSCI World Index for reasons beyond the control of the Investment Adviser, the Investment Adviser shall adopt as a priority objective the remedying of that situation, taking due account of the interests of Shareholders.

Methodologies for environmental or social characteristics

The sustainability indicators used to measure the attainment of the environmental characteristics promoted by the Fund are:

i) a measure of the carbon footprint of the Fund against that of the MSCI World Index. (Details of how this measurement is calculated are above under "*Environmental or social characteristics of the financial product*".); and

ii) the percentage of holdings that comply with the exclusions detailed above under "*Environmental or social characteristics of the financial product*?".

Data sources and processing

The Investment Adviser uses published company data to measure attainment of the environmental characteristics promoted by the Fund.

All data sources used are reviewed regularly by the Investment Adviser.

<u>Measures taken by the Investment Adviser to ensure data quality</u>

The Investment Adviser conducts due diligence as appropriate on third-party data sources which includes an assessment on data quality and material changes in associated methodologies.

<u>How data is processed</u>

Both proprietary and third-party data is accessible by the Investment Adviser's investment teams.

<u>The proportion of data that is estimated</u>

It is not expected that any material percentage of such data is estimated.

Limitations to methodologies and data

In certain circumstances, sufficient data to conduct a thorough analysis of the merits of an investment may not be available to GMO. Where insufficient data is available from investee companies and third-party data providers, GMO may make use of its own proprietary research and information and data gleaned from regulatory filings made by investee companies.

Due diligence

In selecting securities for the Fund, the Investment Adviser uses a combination of investment methods, typically considering both systematic factors, based on profitability, profit stability, leverage, and other publicly available financial information, and judgmental factors, based on an assessment of future profitability, capital allocation, sustainability against competitive forces, and growth opportunities. The Investment Adviser may also rely on valuation methodologies, such as discounted cash flow analysis and multiples of price to earnings, revenues, book value or other fundamental metrics. Security selection is subject to the portfolio-level carbon footprint constraint and exclusions described herein. Separately, the Investment Adviser may consider ESG (environmental, social and governance) criteria insofar as they relate to the valuation of investments, as well as trading patterns, such as price movement or volatility of a security or groups of securities

Engagement policies

Where monitoring of the good governance criteria identifies issues for an investee company, the relevant portfolio managers and investment team may choose to divest. Alternatively, the portfolio managers and investment team may consider whether there is a reasonable basis for believing that the investee company has the ability and is willing to correct its deficiencies. Part of that determination will also consider the potential that engagement with such company could facilitate corrective action. In such cases, the portfolio managers and investment team may choose to invest (or remain invested) on that basis.

Designated reference benchmark

N/A. However, see the "*Environmental or social characteristics of the financial product*" section above for the relevance of the MSCI World Index to the investment selection process applied by the Investment Adviser.

GMO Horizons Investment Fund

SFDR classification

The Fund is an Article 8 Fund within the meaning of SFDR.

Summary

The Fund's investment objective is to seek total return.

The Fund will pursue its objective by investing in equities and equity-related securities and manage risk relative to the MSCI All Country World Index ("MSCI ACWI") as described below. The Fund will favour companies that generate "green revenue." Green revenue refers to revenue associated with environmentally positive business activities including, without limitation:

- water management, treatment, and delivery;

- waste and pollution management;
- efficient transportation;
- sustainable agriculture and food production;
- renewable or alternative sources of energy, and improved energy efficiency; and
- efficient use of natural resources and reduction of environmental impacts.

The metrics used to monitor green revenue will be sourced from third-party data sets providing such information. The Investment Adviser believes that, under current market conditions, the Fund's weighted average green revenue would typically be at or around three times that of the MSCI ACWI. The Fund is committed to maintaining a weighted average green revenue across its portfolio of at least 20 per cent. In the event that the weighted average green revenue of the Fund at any given time is below 20 per cent., the Investment Adviser shall adopt as a priority objective the remedying of that situation, taking due account of the interests of Shareholders.

In addition to the above green revenue undertaking, the Investment Adviser will monitor the carbon footprint of its portfolio using a combination of third-party and proprietary metrics. Greenhouse gas ("GHG") emissions can be classified as direct emissions (generated from sources that are controlled by the company that issues the underlying assets) and indirect emissions (generated in the value chain of the reporting company). Companies and data vendors typically estimate and report direct emissions as scope 1 emissions and indirect emissions as scope 2 and scope 3 emissions. Inputs regarding direct emissions will be sourced as scope 1 emissions from one or more third-party sources. For indirect emissions, the Investment Adviser has developed a proprietary indirect GHG emissions metric because it believes that, particularly with respect to scope 3 emissions, existing data providers use inconsistent estimation methodologies that are not comparable across companies. The Fund is committed to maintaining its total (scope 1 + indirect emissions) carbon footprint at or below 50 per cent. of the carbon footprint of the MSCI ACWI. In the event that the carbon footprint of the Fund exceeds at any given time 50 per cent. of the carbon footprint of the MSCI ACWI, the Investment Adviser shall adopt as a priority objective the remedying of that situation, taking due account of the interests of Shareholders.

The Investment Adviser excludes from the investment universe of the Fund: (i) companies that the Investment Adviser determines to be associated with one or more major environmental controversies, a list of which is maintained at https://www.gmo.com/horizons-environmental-controversies/; (ii) companies included on certain third-party exclusion lists which may change from time to time; and (iii) sectors of the economy that the Investment Adviser determines are environmentally or socially detrimental, such as coal, tar sands, tobacco, and controversial munitions. A current list of the applicable exclusion lists referred to in clause (ii) above is maintained on the Investment Adviser's website at www.gmo.com/europe/horizons-exclusion-list/. In the event that a company held by the Fund falls into one of the excluded categories above at a time after purchase, the Investment Adviser shall adopt as a priority objective the disposal of its holding in such company, taking due account of the interests of Shareholders. With respect to the calculation of the Fund's weighted average green revenue and carbon footprint and the application of the exclusions above, the Investment Adviser will disregard cash and investments in collective investment schemes.

The Fund promotes environmental and social characteristics through the means described above but it does not have an overall sustainable investment objective. A reference benchmark is not used for the purposes of attaining the environmental characteristics promoted by the Fund. However, see above for the relevance of the MSCI ACWI to the investment selection and risk management process applied by the Investment Adviser.

GMO uses the sustainability indicators described below under "*Methodologies for environmental or social characteristics*" to measure and monitor the attainment of the environmental characteristics which the Fund promotes. In order to assess each holding's adherence to the sustainability indicators, GMO refers to data from investee companies and third-party data providers. Adherence to the exclusions lists is measured by reference to data from investee companies and third-party data providers. Where data coverage is insufficient GMO may make use of its own proprietary research and information and data gleaned from regulatory filings made by investee companies.

In selecting securities, the Investment Adviser will use a combination of systematic investment methods and datasets, based on earnings, profitability, and sentiment factors, as well as other publicly available financial information. Security selection is subject to the minimum weighted average green revenue commitment, carbon footprint commitment, and exclusions, each as described above. In constructing the portfolio, the Investment Adviser will consider the trade-off among risk relative to the MSCI ACWI, transaction costs and liquidity. The Investment Adviser may also adjust the Fund's portfolio for the following factors: position size, market capitalisation; and exposure to industries, sectors, and countries. The Investment Adviser currently expects that, relative to the MSCI ACWI, the portfolio of the Fund will typically have sector weightings in the range of +/- 2.5 per cent., country weightings in the range of +/-1.5 per cent. and issuer overweights of up to +0.5 per cent. However, the particular sector, country, and issuer ranges may change over time. It is not proposed to concentrate investments in any one industry or geographic sector, however, at times, the Fund may have substantial exposure to a single asset class, industry, sector, country, region, issuer, or currency or companies with similar market capitalisations. The Fund may invest in securities of companies of any market capitalisation. The Fund may make security investments in companies the stocks of which are listed or traded on Regulated Markets anywhere in the world. The factors the Investment Adviser considers and investment methods it uses can change over time.

When considering an investment, the Investment Adviser will consider whether the issuer meets its minimum threshold for good governance practices, which incorporate quantitative assessment metrics of a company's management, audit and internal controls, employee relations, compensation practices, and tax and regulatory compliance. Investee companies are then monitored for on-going compliance with these standards. In the case where an investee company demonstrates sustained scores below the minimum investment threshold, the Investment Adviser will consider both engagement and divestment.

No sustainable investment objective

This financial product promotes environmental or social characteristics, but does not have as its objective, sustainable investment.

Environmental or social characteristics of the financial product

The Fund will favour companies that generate "green revenue." Green revenue refers to revenue associated with environmentally positive business activities including, without limitation:

- water management, treatment, and delivery;
- waste and pollution management;
- efficient transportation;
- sustainable agriculture and food production;
- renewable or alternative sources of energy, and improved energy efficiency; and
- efficient use of natural resources and reduction of environmental impacts.

The metrics used to monitor green revenue will be sourced from third-party data sets providing such information. The Investment Adviser believes that, under current market conditions, the Fund's weighted average green revenue would typically be at or around three times that of the MSCI ACWI. The Fund is committed to maintaining a weighted average green revenue across its portfolio of at least 20 per cent. In the event that the weighted average green revenue of the Fund at any given time is below

20 per cent., the Investment Adviser shall adopt as a priority objective the remedying of that situation, taking due account of the interests of Shareholders.

In addition to the above green revenue undertaking, the Investment Adviser will monitor the carbon footprint of its portfolio using a combination of third-party and proprietary metrics. Greenhouse gas ("GHG") emissions can be classified as direct emissions (generated from sources that are controlled by the company that issues the underlying assets) and indirect emissions (generated in the value chain of the reporting company). Companies and data vendors typically estimate and report direct emissions as scope 1 emissions and indirect emissions as scope 2 and scope 3 emissions. Inputs regarding direct emissions will be sourced as scope 1 emissions from one or more third-party sources. For indirect emissions, the Investment Adviser has developed a proprietary indirect GHG emissions metric because it believes that, particularly with respect to scope 3 emissions, existing data providers use inconsistent estimation methodologies that are not comparable across companies. The Fund is committed to maintaining its total (scope 1 + indirect emissions) carbon footprint at or below 50 per cent. of the carbon footprint of the MSCI ACWI. In the event that the carbon footprint of the Fund exceeds at any given time 50 per cent. of the carbon footprint of the MSCI ACWI, the Investment Adviser shall adopt as a priority objective the remedying of that situation, taking due account of the interests of Shareholders.

The Investment Adviser excludes from the investment universe of the Fund: (i) companies that the Investment Adviser determines to be associated with one or more major environmental controversies, a list of which is maintained at https://www.gmo.com/horizons-environmental-controversies/; (ii) companies included on certain third-party exclusion lists which may change from time to time; and (iii) sectors of the economy that the Investment Adviser determines are environmentally or socially detrimental, such as coal, tar sands, tobacco, and controversial munitions. A current list of the applicable exclusion lists referred to in clause (ii) above is maintained on the Investment Adviser's website at www.gmo.com/europe/horizons-exclusion-list/. In the event that a company held by the Fund falls into one of the excluded categories above at a time after purchase, the Investment Adviser shall adopt as a priority objective the disposal of its holding in such company, taking due account of the interests of Shareholders. With respect to the calculation of the Fund's weighted average green revenue and carbon footprint and the application of the exclusions above, the Investment Adviser will disregard cash and investments in collective investment schemes.

Investment strategy

In selecting securities, the Investment Adviser will use a combination of systematic investment methods and datasets, based on earnings, profitability, and sentiment factors, as well as other publicly available financial information. Security selection is subject to the minimum weighted average green revenue commitment, carbon footprint commitment, and exclusions, each as described above. In constructing the portfolio, the Investment Adviser will consider the trade-off among risk relative to the MSCI ACWI, transaction costs and liquidity. The Investment Adviser may also adjust the Fund's portfolio for the following factors: position size, market capitalisation; and exposure to industries, sectors, and countries. The Investment Adviser currently expects that, relative to the MSCI ACWI, the portfolio of the Fund will typically have sector weightings in the range of +/- 2.5 per cent., country weightings in the range of +/-1.5 per cent. and issuer overweights of up to +0.5 per cent. However, the particular sector, country, and issuer ranges may change over time. It is not proposed to concentrate investments in any one industry or geographic sector, however, at times, the Fund may have substantial exposure to a single asset class, industry, sector, country, region, issuer, or currency or companies with similar market capitalisations. The Fund may invest in securities of companies of any market capitalisation. The Fund may make security investments in companies the stocks of which are listed or traded on Regulated Markets anywhere in the world. The factors the Investment Adviser considers and investment methods it uses can change over time.

When considering an investment, the Investment Adviser will consider whether the issuer meets its minimum threshold for good governance practices, which incorporate quantitative assessment metrics of a company's management, audit and internal controls, employee relations, compensation practices, and tax and regulatory compliance. Investee companies are then monitored for on-going compliance with these standards. In the case where an investee company demonstrates sustained scores below the minimum investment threshold, the Investment Adviser will consider both engagement and divestment.

For further information, please see the 'Investment Objectives and Policies of the Funds' section of the Prospectus.

Proportion of investments

GMO intends that 100% of the Fund's direct and indirect investments, excluding cash on deposit and certain underlying investment funds, will be aligned with the environmental and social characteristics described above.

Monitoring of environmental or social characteristics

GMO uses the sustainability indicators described immediately below under "*Methodologies for environmental or social characteristics*" to measure and monitor the attainment of the environmental characteristics which the Fund promotes on an ongoing basis.

In the event that the weighted average green revenue of the Fund at any given time is below 20%, the Investment Adviser shall adopt as a priority objective the remedying of that situation, taking due account of the interests of Shareholders.

Methodologies for environmental or social characteristics

The sustainability indicators used to measure the attainment of the environmental characteristics promoted by the Fund are:

i) a measure of the weighted average green revenue of the Fund against that of the MSCI ACWI. (Details of how this measurement is calculated are above under "*Environmental or social characteristics of the financial product*".);
ii) a measure of the carbon footprint[4] of the Fund against that of the MSCI ACWI. and
iii) the percentage of holdings that comply with the exclusions detailed above under "*Environmental or social characteristics of the financial product*?".

Data sources and processing

The Investment Adviser uses published company data to measure attainment of the environmental characteristics promoted by the Fund.

All data sources used are reviewed regularly by the Investment Adviser.

Measures taken by the Investment Adviser to ensure data quality

The Investment Adviser conducts due diligence as appropriate on third-party data sources which includes an assessment on data quality and material changes in associated methodologies.

How data is processed

Both proprietary and third-party data is accessible by the Investment Adviser's investment teams.

[4] Carbon footprint, for the purposes of GMO Horizon Investment Fund, is total GHG emissions (in tonnes) per million dollars of market capitalisation.

The proportion of data that is estimated

It is not expected that any material percentage of such data is estimated.

Limitations to methodologies and data

In certain circumstances, sufficient data to conduct a thorough analysis of the merits of an investment may not be available to GMO. Where insufficient data is available from investee companies and third-party data providers, GMO may make use of its own proprietary research and information and data gleaned from regulatory filings made by investee companies.

Due diligence

In selecting securities, the Investment Adviser will use a combination of systematic investment methods and datasets, based on earnings, profitability, and sentiment factors, as well as other publicly available financial information. Security selection is subject to the minimum weighted average green revenue commitment, carbon footprint commitment, and exclusions, each as described above. In constructing the portfolio, the Investment Adviser will consider the trade-off among risk relative to the MSCI ACWI, transaction costs and liquidity. The Investment Adviser may also adjust the Fund's portfolio for the following factors: position size, market capitalisation; and exposure to industries, sectors, and countries.

Engagement policies

Where monitoring of the good governance criteria identifies issues for an investee company, the relevant portfolio managers and investment team may choose to divest. Alternatively, the portfolio managers and investment team may consider whether there is a reasonable basis for believing that the investee company has the ability and is willing to correct its deficiencies. Part of that determination will also consider the potential that engagement with such company could facilitate corrective action. In such cases, the portfolio managers and investment team may choose to invest (or remain invested) on that basis.

Designated reference benchmark

N/A. However, see the "*Environmental or social characteristics of the financial product*" section above for the relevance of the MSCI ACWI World Index to the investment selection and risk process applied by the Investment Adviser.

Translations of Summaries

<u>GMO Climate Change Investment Fund -</u>

SFDR-klassificering

Fonden er en artikel 8-fond som defineret i SFDR.

Oversigt

Fondens investeringsmål er at opnå et højt samlet afkast. Investeringsrådgiveren søger at opfylde fondens investeringsmål ved primært at investere i værdipapirer i virksomheder, som investeringsrådgiveren mener er positioneret til direkte eller indirekte at nyde godt af bestræbelserne på at begrænse eller afbøde de langsigtede virkninger af globale klimaforandringer, til at tackle de miljømæssige udfordringer, som globale klimaforandringer udgør eller til at forbedre effektiviteten af ressourceforbruget.

Investeringsrådgiveren anser sådanne virksomheder til at omfatte virksomheder, der er involveret i industrier relateret til ren energi, batterier og opbevaring, el-net, energieffektivitet, genanvendelse og forureningskontrol, landbrug, vand, og forretninger, der servicerer sådanne industrier. På grund af de vidtrækkende effekter og den udvikling, der er forbundet med klimaændringer, forventer investeringsrådgiveren, at sådanne virksomheders forretningsunivers er involveret i en lang række forretninger.

Fonden fremmer de miljømæssige og sociale karakteristika beskrevet ovenfor og vil have mindst 70 % af sin portefølje i bæredygtige investeringer, men den har ikke et overordnet mål for bæredygtige investeringer.

Et referencebenchmark anvendes ikke til at opnå de miljømæssige egenskaber, der fremmes af fonden.

GMO bruger de bæredygtighedsindikatorer, der er beskrevet nedenfor under "*Metodologier for miljømæssige eller sociale karakteristika*" til at måle og overvåge opnåelsen af de miljømæssige karakteristika, som fonden fremmer. For at vurdere hver akties overholdelse af bæredygtighedsindikatorerne henviser GMO til data fra investeringsselskaber og tredjepartsdataudbydere, og hvor tilgængelige data er utilstrækkelige, kan GMO bruge sin egen proprietære forskning og information og data indsamlet fra forskriftsmæssige indberetninger foretaget af investeringsselskaber.

Investeringsrådgiveren udvælger værdipapirer, som fonden køber eller sælger baseret på dens evaluering af udstederes offentliggjorte økonomiske oplysninger og selskabsmæssige adfærd (såsom varsler om overskud, aktieudstedelse eller tilbagekøb, og direktørhandel med virksomhedsaktier), bæredygtighed og andre ESG-kriterier (miljømæssige, sociale og ledelsesmæssige), værdipapirers priser, varepriser, aktier og obligationer, den overordnede globale økonomi og statsrelaterede politikker.

Når investeringsrådgiveren overvejer en investering, vil vedkommende overveje, om udstederen opfylder sin minimumsgrænse for god ledelsespraksis, som inkorporerer fundamentale og kvantitative vurderinger af områder såsom en virksomheds ledelse, revision og interne kontroller, medarbejderrelationer, lønpraksisser samt overholdelse af skatte- og forskriftsmæssige love og forordninger. Investeringsselskaber overvåges derefter for løbende overholdelse af disse standarder. I det tilfælde, hvor et investeringsselskab udviser vedvarende ringe ledelsespraksis, vil investeringsrådgiveren overveje både engagement og afhændelse. En del af denne afgørelse vil tage hensyn til det potentiale, at engagement med en sådan virksomhed kan formidle korrigerende handling.

GMO Climate Change Select Investment Fund

SFDR-klassificering

Fonden er en artikel 9-fond som defineret i SFDR.

Oversigt

Fondens formål er at søge et højt samlet afkast ved at investere i værdipapirer i virksomheder, som Investeringsrådgiveren mener er positioneret til direkte eller indirekte at medvirke i bestræbelserne på at begrænse eller afbøde de langsigtede virkninger af globale klimaforandringer, til at tackle de miljømæssige udfordringer, som globale klimaforandringer udgør eller til at forbedre effektiviteten af ressourceforbruget. Selv om fonden har bæredygtig investering som sit mål som beskrevet i den foregående sætning, udgør en reduktion i CO2-udledninger ikke en del af et sådant mål.

Investeringsrådgiveren anser virksomhederne, der er positioneret til direkte eller indirekte at bidrage til fondens bæredygtighedsinvesteringsmål, til at omfatte virksomheder, der er involveret i industrier relateret til ren energi, batterier og opbevaring, el-net, energieffektivitet, genanvendelse og forureningskontrol, landbrug, vand, og virksomheder, der servicerer sådanne industrier. På grund af de vidtrækkende effekter og den udvikling, der er forbundet med klimaændringer, forventer investeringsrådgiveren, at sådanne virksomheders forretningsunivers er involveret i en lang række forretninger.

Fonden vil have en andel på minimum 90 % af sin portefølje i bæredygtige investeringer. Et referencebenchmark anvendes ikke til at opnå fondens bæredygtighedsinvesteringsmål.

GMO bruger bæredygtighedsindikatorerne beskrevet nedenfor under "Metodologier" til at måle og overvåge opnåelsen af fondens bæredygtighedsinvesteringsmål. For at vurdere hver akties overholdelse af bæredygtighedsindikatorerne henviser GMO til data fra investeringsselskaber og tredjepartsdataudbydere, og hvor tilgængelige data er utilstrækkelige, kan GMO bruge sin egen proprietære forskning og information og data indsamlet fra forskriftsmæssige indberetninger foretaget af investeringsselskaber.

Investeringsrådgiveren udvælger værdipapirer, som fonden køber eller sælger baseret på dens evaluering af udstederes offentliggjorte økonomiske oplysninger og selskabsmæssige adfærd (såsom varsler om overskud, aktieudstedelse eller tilbagekøb, og direktørhandel med virksomhedsaktier), bæredygtighed og andre ESG-kriterier (miljømæssige, sociale og ledelsesmæssige), værdipapirers priser, varepriser, aktier og obligationer, den overordnede globale økonomi og statsrelaterede politikker. Investeringsrådgiveren kan mødes med virksomhedsledelsen for at bekræfte konklusioner, der er udledt af investeringsrådgiverens forskning, og kan anvende diskussioner med ledelsen og besøg på stedet som en integreret del af processen for udvælgelse af investeringer

Når investeringsrådgiveren overvejer en investering, vil vedkommende overveje, om udstederen opfylder sin minimumsgrænse for god ledelsespraksis, som inkorporerer fundamentale og kvantitative vurderinger af områder såsom en virksomheds ledelse, revision og interne kontroller, medarbejderrelationer, lønpraksisser samt overholdelse af skatte- og forskriftsmæssige love og forordninger. Investeringsselskaber overvåges derefter for løbende overholdelse af disse standarder. I det tilfælde, hvor et investeringsselskab udviser vedvarende ringe ledelsespraksis, vil investeringsrådgiveren overveje både engagement og afhændelse. En del af denne afgørelse vil tage hensyn til det potentiale, at engagement med en sådan virksomhed kan formidle korrigerende handling.

<u>GMO Climate Change Investment Fund</u>

SFDR-Klassifizierung

Der Fonds ist ein Fonds nach Artikel 8 im Sinne der SFDR.

Zusammenfassung

Ziel des Fonds ist es, eine hohe Gesamtrendite zu erzielen. Der Anlageberater ist bestrebt, das Anlageziel des Fonds zu erreichen, indem er hauptsächlich in Aktien von Unternehmen investiert, die nach Ansicht des Anlageberaters in der Lage sind, direkt oder indirekt von den Maßnahmen zu profitieren, mit denen die langfristigen Auswirkungen des globalen Klimawandels eingedämmt oder gemindert werden sollen, mit denen die ökologischen Herausforderungen des globalen Klimawandels gelöst werden sollen oder mit denen die Effizienz des Ressourcenverbrauchs gesteigert werden soll.

Der Anlageberater ist der Ansicht, dass zu diesen Unternehmen solche gehören, die in den Bereichen saubere Energie, Batterien und Energiespeicherung, Stromnetze, Energieeffizienz, Recycling und Umweltschutz, Landwirtschaft und Wasser tätig sind, sowie Unternehmen, die Dienstleistungen für diese Bereiche erbringen. Angesichts der weitreichenden Auswirkungen und der sich entwickelnden Innovationen im Zusammenhang mit dem Klimawandel geht der Anlageberater davon aus, dass diese Unternehmen in einem breiten Spektrum von Geschäftsfeldern tätig sind.

Der Fonds fördert die oben beschriebenen ökologischen und sozialen Merkmale und wird mindestens 70 % seines Portfolios in nachhaltige Anlagen investieren, hat aber kein übergeordnetes nachhaltiges Anlageziel.

Für die Erreichung der vom Fonds geförderten ökologischen Merkmale wird keine Referenzbenchmark verwendet.

GMO nutzt die unten unter *„Methoden für ökologische oder soziale Merkmale“* beschriebenen Nachhaltigkeitsindikatoren, um die Einhaltung der vom Fonds geförderten ökologischen Merkmale zu messen und zu überwachen. Bei der Bewertung der Einhaltung der Nachhaltigkeitsindikatoren durch die einzelnen Positionen bezieht sich GMO auf Daten von Zielunternehmen und auf Daten von Drittanbietern. Wenn die Datenabdeckung nicht ausreicht, kann GMO auf eigene Recherchen und Informationen sowie auf Daten aus den von den Zielunternehmen eingereichten regulatorischen Unterlagen zurückgreifen.

Der Anlageberater wählt die Wertpapiere, die der Fonds kauft oder verkauft, auf der Grundlage seiner Bewertung der veröffentlichten Finanzinformationen der Emittenten und des Unternehmensverhaltens (wie z. B. Gewinnwarnungen, Aktienausgaben oder -rückkäufe und Geschäfte der Direktoren mit Unternehmensaktien), der Nachhaltigkeit und anderer Umwelt-, Sozial- und Unternehmensführungs(ESG)-Kriterien, der Wertpapierpreise, der Rohstoffpreise, der Aktien- und Anleihemärkte, der globalen Gesamtwirtschaft und der Politik der Regierungen aus.

Wenn der Anlageberater eine Anlage in Erwägung zieht, wird er prüfen, ob der Emittent seine Mindestanforderungen an gute Unternehmensführungspraktiken erfüllt. Diese umfassen fundamentale und quantitative Bewertungen von Bereichen wie Management, Rechnungsprüfung und interne Kontrollen, Mitarbeiterbeziehungen und Vergütungspraktiken eines Unternehmens sowie Einhaltung von steuerlichen und regulatorischen Vorschriften durch das Unternehmen. Die Zielunternehmen werden dann auf die laufende Einhaltung dieser Standards überwacht. Wenn ein Zielunternehmen anhaltend schlechte Unternehmensführungspraktiken an den Tag legt, wird der Anlageberater sowohl das Engagement als auch den Rückzug aus dem Unternehmen in Betracht ziehen. Im Rahmen dieser Entscheidung wird auch das Potenzial berücksichtigt, dass die Zusammenarbeit mit einem solchen Unternehmen Korrekturmaßnahmen bewirken könnte.

GMO Climate Change Select Investment Fund

SFDR-Klassifizierung

Der Fonds ist ein Fonds nach Artikel 9 im Sinne der SFDR.

Zusammenfassung

Das Anlageziel des Fonds ist es, eine hohe Gesamtrendite anzustreben, indem er in Aktien von Unternehmen investiert, die nach Ansicht des Anlageberaters so aufgestellt sind, dass sie direkt oder indirekt zu den Bemühungen beitragen, die langfristigen Auswirkungen des globalen Klimawandels einzudämmen oder zu mindern, die durch den globalen Klimawandel hervorgerufenen Umweltprobleme zu lösen oder die Effizienz des Ressourcenverbrauchs zu steigern. Obwohl der Fonds, wie im vorstehenden Satz beschrieben, nachhaltige Anlagen zum Ziel hat, ist eine Reduzierung der Kohlenstoffemissionen nicht Teil dieses Ziels.

Der Anlageberater ist der Ansicht, dass zu den Unternehmen, die in der Lage sind, direkt oder indirekt zum nachhaltigen Anlageziel des Fonds beizutragen, auch Unternehmen gehören, die in den Bereichen saubere Energie, Batterien und Energiespeicherung, Stromnetze, Energieeffizienz, Recycling und Umweltschutz, Landwirtschaft und Wasser tätig sind, sowie Unternehmen, die Dienstleistungen für diese Bereiche erbringen. Angesichts der weitreichenden Auswirkungen und der sich entwickelnden Innovationen im Zusammenhang mit dem Klimawandel geht der Anlageberater davon aus, dass diese Unternehmen in einem breiten Spektrum von Geschäftsfeldern tätig sind.

Der Fonds wird einen Mindestanteil von 90 % seines Portfolios in nachhaltigen Anlagen halten. Eine Referenzbenchmark wird nicht verwendet, um das nachhaltige Anlageziel des Fonds zu erreichen.

GMO verwendet die unten unter „Methoden“ beschriebenen Nachhaltigkeitsindikatoren, um die Erreichung des nachhaltigen Anlageziels des Fonds zu messen und zu überwachen. Bei der Bewertung der Einhaltung der Nachhaltigkeitsindikatoren durch die einzelnen Positionen bezieht sich GMO auf Daten von Zielunternehmen und auf Daten von Drittanbietern. Wenn die Datenabdeckung nicht ausreicht, kann GMO auf eigene Recherchen und Informationen sowie auf Daten aus den von den Zielunternehmen eingereichten regulatorischen Unterlagen zurückgreifen.

Der Anlageberater wählt die Wertpapiere, die der Fonds kauft oder verkauft, auf der Grundlage seiner Bewertung der veröffentlichten Finanzinformationen der Emittenten und des Unternehmensverhaltens (wie z. B. Gewinnwarnungen, Aktienausgaben oder -rückkäufe und Geschäfte der Direktoren mit Unternehmensaktien), der Nachhaltigkeit und anderer Umwelt-, Sozial- und Unternehmensführungs(ESG)-Kriterien, der Wertpapierpreise, der Rohstoffpreise, der Aktien- und Anleihemärkte, der globalen Gesamtwirtschaft und der Politik der Regierungen aus. Der Anlageberater kann sich mit der Unternehmensleitung treffen, um die Schlussfolgerungen der Recherchen des Anlageberaters zu bestätigen, und kann Gespräche mit der Unternehmensleitung und Besuche vor Ort als integralen Bestandteil des Anlageauswahlprozesses durchführen.

Wenn der Anlageberater eine Anlage in Erwägung zieht, wird er prüfen, ob der Emittent seine Mindestanforderungen an gute Unternehmensführungspraktiken erfüllt. Diese umfassen fundamentale und quantitative Bewertungen von Bereichen wie Management, Rechnungsprüfung und interne Kontrollen, Mitarbeiterbeziehungen und Vergütungspraktiken eines Unternehmens sowie Einhaltung von steuerlichen und regulatorischen Vorschriften durch das Unternehmen. Die Zielunternehmen werden dann auf die laufende Einhaltung dieser Standards überwacht. Wenn ein Zielunternehmen anhaltend schlechte Unternehmensführungspraktiken an den Tag legt, wird der Anlageberater sowohl das Engagement als auch den Rückzug aus dem Unternehmen in Betracht ziehen. Im Rahmen dieser Entscheidung wird auch das Potenzial berücksichtigt, dass die Zusammenarbeit mit einem solchen Unternehmen Korrekturmaßnahmen bewirken könnte.

GMO Global Real Return (UCITS) Fund

SFDR-Klassifizierung

Der Fonds ist ein Fonds nach Artikel 8 im Sinne der SFDR.

Zusammenfassung

Der Fonds strebt eine Rendite an, die über dem G7-Verbraucherpreisindex liegt, indem er weltweit in Aktien, Schuldtitel, Geldmarktinstrumente, Währungen, Instrumente in Verbindung mit Rohstoffindizes, REITs und damit verbundene Derivate investiert.

GMO bemüht sich um die Förderung ökologischer oder sozialer Merkmale, indem es eine Reihe von Ausschlusskriterien für das Anlageuniversum des Fonds anwendet. Der Fonds wird nicht in folgende Unternehmen/Bereiche investieren: (i) Unternehmen, die nach Ansicht von GMO direkt an Verstößen gegen grundlegende internationale Normen und Konventionen beteiligt sind, wie sie in den Prinzipien des Global Compact der Vereinten Nationen beschrieben sind; (ii) Wirtschaftssektoren, die nach Ansicht von GMO umwelt- oder sozialschädlich sind, wie Kohle, Teersand, Tabak und Munition; (iii) Länder oder Rechtsgebiete, die aus dem MSCI ACWI + Frontier Markets Index gestrichen wurden; und (iv) Unternehmen, die auf bestimmten Ausschlusslisten Dritter stehen, die sich von Zeit zu Zeit ändern können. Ungeachtet der Einschränkung in (iii) oben kann der Fonds in Unternehmen investieren, die nicht Teil des MSCI ACWI + Frontier Markets Index sind, immer vorausgesetzt, dass diese Unternehmen nicht zuvor aus dem Index entfernt wurden. Eine aktuelle Liste der anwendbaren Ausschlusslisten wird auf der Website von GMO unter www.gmo.com/europe/grruf-exclusion-list/ geführt.

Der Fonds fördert die oben beschriebenen ökologischen und sozialen Merkmale, hat aber kein übergeordnetes nachhaltiges Anlageziel. Für die Erreichung der vom Fonds geförderten ökologischen und sozialen Merkmale wird keine Referenzbenchmark verwendet.

GMO nutzt die unten unter *„Methoden für ökologische oder soziale Merkmale“* beschriebenen Nachhaltigkeitsindikatoren, um die Einhaltung der vom Fonds geförderten ökologischen und sozialen Merkmale zu messen und zu überwachen. Zur Bewertung der Einhaltung der Nachhaltigkeitskriterien durch die einzelnen Positionen stützt sich GMO auf Ausschlusslisten, die von Dritten geführt werden, sowie auf Daten von Zielunternehmen und von dritten Datenanbietern. Bei unzureichender Datenabdeckung kann GMO auf eigene Recherchen und Informationen sowie auf Daten zurückgreifen, die aus den von den Zielunternehmen eingereichten regulatorischen Unterlagen stammen.

Der Investmentmanager stützt sich auf seine quantitativen mehrjährigen Renditeprognosen für die verschiedenen Anlageklassen sowie auf seine Einschätzung der relativen Risiken dieser Anlageklassen, um die Allokation des Fonds in verschiedene Anlageklassen zu bestimmen. Ein wesentlicher Bestandteil dieser Prognosen ist die Einschätzung des Investmentmanagers, ob die Bewertungen letztendlich zu ihrem fundamentalen fairen (oder inneren) Wert zurückkehren. Jede Prognose für eine Anlageklasse enthält die eigenen ESG-Bewertungen des Investmentmanagers, die mithilfe eines eigenen Bottom-up-Prozesses berechnet werden. Diese ESG-Bewertungen spiegeln die Einschätzung des Investmentmanagers wider, wie ESG-Ereignisse oder -Bedingungen einen wesentlichen Einfluss auf die Performance der jeweiligen Anlageklasse haben könnten. Die ESG-Bewertungen wirken sich auf die Prognosen der Anlageklassen und folglich auf die relative Allokation des Fonds unter den Anlageklassen aus. Bei sonst gleichen Voraussetzungen werden Anlageklassen, die in Bezug auf ESG schlecht abschneiden, eine geringere Allokation erhalten, als dies bei einer günstigen ESG-Bewertung der Fall wäre. Der Investmentmanager ändert die Allokation des Fonds auf die zugrunde liegenden Anlageklassen und Strategien als Reaktion auf Änderungen seiner mehrjährigen Renditeprognosen für die einzelnen Anlageklassen, seiner Einschätzung der relativen Risiken dieser Anlageklassen sowie der Marktbewertungen.

Wenn GMO eine Anlage im Rahmen seiner fundamentalen Strategien in Erwägung zieht, wird er prüfen, ob der zugrunde liegende Emittent gute Unternehmensführungspraktiken einhält, insbesondere im Hinblick auf solide Managementstrukturen, Mitarbeiterbeziehungen, die Personalvergütung und die

Einhaltung von Steuervorschriften. Es wird analysiert, inwieweit ein bestimmter Emittent den relevanten Risiken im Zusammenhang mit guter Unternehmensführung ausgesetzt ist und, was besonders wichtig ist, welche Maßnahmen die Unternehmensleitung ergreift, um diese Risiken zu steuern. Zu den Standards für eine gute Unternehmensführung gehören die Ausgewogenheit des Vorstands, die Unabhängigkeit, die Transparenz, die Offenlegung und der Schutz der Aktionärsrechte sowie die Prüfung, ob der Emittent Gegenstand ernsthafter oder anhaltender Bedenken in Bezug auf unhaltbare Geschäftspraktiken, wie z. B. Verstöße gegen die Menschenrechte und Arbeitsnormen, Korruption und Missbrauch von Minderheitsaktionären, war. Wenn GMO eine Anlage im Rahmen seiner quantitativen Strategien in Erwägung zieht, wird geprüft, ob der Emittent die Mindestanforderungen an eine gute Unternehmensführung erfüllt. Diese umfassen quantitative Bewertungsmaßstäbe für das Management, die Rechnungsprüfung und die internen Kontrollen, die Mitarbeiterbeziehungen und die Vergütungspraktiken eines Unternehmens sowie die Einhaltung steuerlicher und gesetzlicher Vorschriften durch das Unternehmen. Die Zielunternehmen werden dann auf die laufende Einhaltung dieser Standards überwacht. Sollte ein Zielunternehmen anhaltend unter der Mindestinvestitionsschwelle liegen, wird GMO sowohl das Engagement als auch den Rückzug aus dem Unternehmen in Betracht ziehen. Im Rahmen dieser Entscheidung wird auch das Potenzial berücksichtigt, dass die Zusammenarbeit mit einem solchen Unternehmen Korrekturmaßnahmen bewirken könnte.

GMO Climate Change Investment Fund

Clasificación del SFDR

El Fondo es un Fondo del artículo 8 en el sentido del SFDR.

Resumen

El objetivo de inversión del Fondo es lograr una rentabilidad total alta. El asesor de inversiones busca alcanzar el objetivo de inversión del Fondo invirtiendo principalmente en renta variable de empresas que cree que están posicionadas para beneficiarse directa o indirectamente de los esfuerzos por frenar o mitigar los efectos a largo plazo del cambio climático global, para abordar los desafíos ambientales que presenta el cambio climático global o para mejorar la eficiencia del consumo de recursos.

El asesor de inversiones considera que dichas empresas incluyen empresas implicadas en sectores relacionados con la energía limpia, las baterías y el almacenamiento, la red eléctrica, la eficiencia energética, el reciclaje y el control de la contaminación, la agricultura, el agua y los negocios que prestan servicio a dichos sectores. Debido a los efectos de gran alcance y la evolución de la innovación relacionada con el cambio climático, el asesor de inversiones espera que el universo de dichas empresas se involucre en una amplia gama de negocios.

El Fondo promueve las características ambientales y sociales descritas anteriormente y tendrá un mínimo del 70 % de su cartera en inversiones sostenibles, pero no tiene un objetivo general de inversión sostenible.

No se utiliza ningún índice de referencia para alcanzar las características ambientales que promueve el Fondo.

GMO utiliza los indicadores de sostenibilidad que se describen a continuación en "*Metodologías para características medioambientales o sociales*" para medir y monitorizar el logro de las características medioambientales que el Fondo promueve. Con el fin de evaluar el cumplimiento de cada posición de los indicadores de sostenibilidad, GMO consulta los datos de las empresas participadas y de terceros proveedores de datos, y cuando la cobertura de datos es insuficiente, GMO puede hacer uso de su propia investigación e información de propiedad exclusiva y de los datos obtenidos de las presentaciones reglamentarias realizadas por las empresas participadas.

El asesor de inversiones escoge los valores que el Fondo compra o vende de acuerdo con la evaluación que haga sobre la información financiera publicada por los emisores y las prácticas empresariales (advertencias de menores beneficios, emisión o recompra de acciones, y operaciones de los consejeros con respecto a las acciones de la empresa), sostenibilidad y otros criterios ASG (ambientales, sociales y de gobierno corporativo), precios de los valores, precios de las materias primas, mercados de renta fija y bonos, la economía internacional en su conjunto y las políticas gubernamentales.

Al plantearse una inversión, el asesor de inversiones considerará si el emisor cumple con su umbral mínimo para las buenas prácticas de gobernanza, que incorporan evaluaciones fundamentales y cuantitativas de áreas como la gestión de una empresa, auditorías y controles internos, relaciones con los empleados, prácticas de remuneración y cumplimiento fiscal y normativo. Luego, las empresas participadas son monitorizadas para verificar el cumplimiento continuo de estos estándares. En el caso de que una empresa participada demuestre prácticas de mala gobernanza sostenidas, el asesor de inversiones considerará tanto la vinculación (engagement) como la desinversión. Parte de esa determinación tendrá en cuenta el potencial de que la vinculación con dicha empresa pueda facilitar acciones correctivas.

GMO Global Real Return (UCITS) Fund

Clasificación del SFDR

El Fondo es un Fondo del artículo 8 en el sentido del SFDR.

Resumen

El Fondo tiene como objetivo lograr una rentabilidad superior a la del G7 Consumer Price Index a través de la inversión a nivel mundial en renta variable, renta fija, instrumentos del mercado monetario, divisas, instrumentos relacionados con índices de materias primas, fondos de inversión inmobiliaria (REIT) y derivados relacionados.

GMO busca promover las características medioambientales o sociales aplicando una serie de exclusiones al universo de inversión del Fondo. El Fondo no invertirá en: (i) empresas que GMO crea que son directamente cómplices de infracciones de normas y convenciones internacionales fundamentales, según se describe en los Principios del Pacto Mundial de las Naciones Unidas; (ii) sectores de la economía que GMO determinen que son perjudiciales para el medioambiente o la sociedad, como el carbón, arenas de alquitrán, tabaco y municiones; (iii) países o jurisdicciones que hayan sido eliminados del MSCI ACWI + Frontier Markets Index; y (iv) empresas incluidas en ciertas listas de exclusión de terceros que pueden cambiar ocasionalmente. Sin perjuicio de la restricción en el punto (iii) anterior, el Fondo podrá invertir en empresas que no formen parte del MSCI ACWI + Frontier Markets Index, siempre que dichas empresas no hayan sido eliminadas previamente del índice. Encontrará una lista actualizada de las listas de exclusión aplicables en el sitio web de GMO en www.gmo.com/europe/grruf-exclusion-list/.

El Fondo promueve las características ambientales y sociales descritas anteriormente, pero no tiene un objetivo general de inversión sostenible. No se utiliza ningún índice de referencia para alcanzar las características ambientales y sociales que promueve el Fondo.

GMO utiliza los indicadores de sostenibilidad que se describen a continuación en "*Metodologías para características medioambientales o sociales*" para medir y monitorizar el logro de las características medioambientales y sociales que el Fondo promueve. Para evaluar el cumplimiento de cada posición con los indicadores de sostenibilidad, GMO se basa en listas de exclusiones mantenidas por terceros y datos de empresas participadas y proveedores de datos de terceros. Cuando la cobertura de datos sea insuficiente, GMO puede hacer uso de su propia investigación e información patentadas y datos recopilados de las presentaciones regulatorias realizadas por las empresas participadas.

El gestor de inversiones utiliza sus previsiones cuantitativas plurianuales de rendimientos entre clases de activos, junto con su evaluación de los riesgos relativos de dichas clases de activos, para determinar las asignaciones del Fondo a varias clases de activos. Un componente importante de esas previsiones es la expectativa del gestor de inversiones de que las valoraciones finalmente reviertan a su valor justo (o intrínseco) fundamental. Cada previsión de clase de activo incorpora las puntuaciones ASG patentadas del gestor de inversiones, calculadas mediante un proceso ascendente patentado. Dichas puntuaciones ASG reflejan la evaluación del gestor de inversiones de cómo los eventos o condiciones ASG podrían causar un impacto sustancial en el rendimiento de la clase de activos correspondiente. Las previsiones de las clases de activos y, en consecuencia, las asignaciones relativas del Fondo entre clases de activos se ven afectadas por las puntuaciones ASG. En igualdad de condiciones, las clases de activos con una puntuación baja en ASG se asignarán menos de lo que se asignarían si sus puntuaciones ASG fueran favorables. El gestor de inversiones cambia las asignaciones del Fondo a las clases de activos y estrategias subyacentes en respuesta a los cambios en sus previsiones plurianuales de rentabilidad entre clases de activos, su evaluación de los riesgos relativos de dichas clases de activos y las valoraciones del mercado.

Al considerar una inversión dentro de sus estrategias fundamentales, GMO considerará si el emisor subyacente cumple con las buenas prácticas de gobernanza, en particular con respecto a estructuras de gestión sólidas, relaciones con los empleados, remuneración del personal y cumplimiento fiscal. El análisis se lleva a cabo sobre el nivel de exposición de un emisor en particular con respecto a los riesgos relevantes asociados con la buena gobernanza y, fundamentalmente, las acciones de la dirección para gestionar dichos riesgos. Las normas de buena gobernanza incluyen el equilibrio de la junta, la independencia, la transparencia, la divulgación y la protección de los derechos de los accionistas, y una revisión de si el emisor ha sido objeto de preocupaciones graves o continuas sobre prácticas comerciales insostenibles, como abusos de derechos humanos y normas laborales, corrupción y abuso de accionistas minoritarios. Al considerar una inversión dentro de sus estrategias cuantitativas, GMO considerará si el emisor cumple con su umbral mínimo para buenas prácticas de gobernanza, que incorporan métricas de evaluación cuantitativa de la gestión, auditoría y controles internos de una empresa, relaciones con los empleados, prácticas de remuneración y cumplimiento fiscal y normativo. Luego, las empresas participadas son monitorizadas para verificar el cumplimiento continuo de estos estándares. En el caso de que una empresa participada demuestre puntuaciones sostenidas por debajo del umbral mínimo de inversión, GMO considerará tanto la vinculación (engagement) como la desinversión. Parte de esa determinación tendrá en cuenta el potencial de que la vinculación con dicha empresa pueda facilitar acciones correctivas.

GMO Climate Change Select Investment Fund

Classification SFDR

Le Fonds est un Fonds de l'Article 9 au sens du SFDR.

Résumé

L'objectif d'investissement du Fonds est de rechercher un rendement total élevé, en investissant dans des actions de sociétés que le Conseiller en investissement estime être en mesure de contribuer directement ou indirectement aux efforts visant à limiter ou atténuer les effets à long terme du changement climatique mondial, à relever les défis environnementaux posés par le changement climatique mondial ou à améliorer l'efficacité de la consommation de ressources. Bien que l'objectif du Fonds soit l'investissement durable, comme décrit dans la phrase précédente, la réduction des émissions de carbone ne fait pas partie de cet objectif.

Le Conseiller en investissement considère que les entreprises en mesure de contribuer directement ou indirectement à l'objectif d'investissement durable du Fonds comprennent des entreprises impliquées dans des secteurs liés à l'énergie propre, aux batteries et au stockage, au réseau électrique, à l'efficacité énergétique, au recyclage et au contrôle de la pollution, à l'agriculture, à l'eau et aux entreprises qui desservent ces secteurs. En raison de l'ampleur des effets et de l'évolution des innovations en rapport avec le changement climatique, le Conseiller en investissement s'attend à ce que les secteurs d'activité de ces entreprises soient très variés.

Le Fonds comptera une proportion minimale de 90 % de son portefeuille dans des investissements durables. Aucun indice de référence n'est utilisé aux fins de la réalisation de l'objectif d'investissement durable du Fonds.

GMO utilise les indicateurs de durabilité décrits ci-dessous dans la section « Méthodologies » pour mesurer et surveiller la réalisation de l'objectif d'investissement durable du Fonds. Afin d'évaluer l'alignement de chaque actif sur les indicateurs de durabilité, GMO se réfère aux données des entités détenues et des fournisseurs de données tiers, et lorsque la couverture des données est insuffisante, GMO peut utiliser ses propres recherches et informations exclusives et les données recueillies à partir des dépôts réglementaires effectués par les entités détenues.

Le Conseiller en investissement sélectionne les titres que le Fonds achète ou vend en fonction de son évaluation des informations financières publiées par les émetteurs et du comportement de chaque entreprise (par exemple, les avertissement sur les résultats, l'émission ou le rachat d'actions et les transactions des administrateurs sur les actions de l'entreprise), de la durabilité et d'autres critères ESG (environnementaux, sociaux et de gouvernance), des prix des titres, des prix des matières premières, des marchés d'actions et d'obligations, de l'économie mondiale dans son ensemble et des politiques gouvernementales. Le Conseiller en investissement peut rencontrer la direction de l'entreprise pour confirmer les conclusions tirées de ses recherches, et peut utiliser les discussions avec la direction et les visites sur site comme partie intégrante du processus de sélection des investissements.

Lors de l'étude d'un investissement, le Conseiller en investissement examinera si l'émetteur atteint son seuil minimum de bonnes pratiques de gouvernance, qui intègrent des évaluations fondamentales et quantitatives de domaines tels que la gestion, l'audit et les contrôles internes d'une entreprise, les relations avec les employés, les pratiques de rémunération, ainsi que la conformité fiscale et réglementaire. Les entités détenues sont ensuite surveillées pour vérifier qu'elles respectent ces normes en permanence. Dans le cas où une entité détenue fait régulièrement preuve de pratiques de gouvernance médiocres, le Conseiller en investissement envisagera à la fois un engagement et un désinvestissement. Afin de prendre sa décision, il tiendra compte de la possibilité que l'engagement auprès de cette entreprise puisse faciliter les mesures correctives.

GMO Climate Change Investment Fund

Classificazione SFDR

Il Fondo è conforme all'Articolo 8 dell'SFDR.

Sintesi

L'obiettivo d'investimento del Fondo è conseguire un elevato rendimento totale. Il Consulente per gli investimenti mira a raggiungere l'obiettivo del Fondo investendo principalmente in azioni di società che ritiene siano in grado di beneficiare direttamente o indirettamente degli sforzi volti a ridurre o mitigare gli effetti a lungo termine del cambiamento climatico globale, ad affrontare le sfide ambientali presentate dal cambiamento climatico globale o a migliorare l'efficienza del consumo di risorse.

Il Consulente per gli investimenti prende in considerazione l'inclusione di società che operano nei settori dell'energia pulita, delle batterie e dell'accumulo, della rete elettrica, dell'efficienza energetica, del riciclaggio e del controllo dell'inquinamento, dell'agricoltura, dell'acqua e delle imprese che forniscono servizi a tali settori. A causa degli effetti di vasta portata e della continua innovazione legata al cambiamento climatico, il Consulente per gli investimenti si aspetta che l'universo di tali società sia coinvolto in un'ampia gamma di attività.

Il Fondo promuove le caratteristiche ambientali e sociali sopra descritte e impiegherà almeno il 70% del suo portafoglio in investimenti sostenibili, ma non ha un obiettivo d'investimento sostenibile complessivo.

Per il raggiungimento delle caratteristiche ambientali promosse dal Fondo non viene utilizzato nessun benchmark di riferimento.

GMO utilizza gli indicatori di sostenibilità descritti di seguito nella sezione "*Metodologie delle caratteristiche ambientali o sociali*" per misurare e monitorare il raggiungimento delle caratteristiche ambientali promosse dal Fondo. Per valutare la conformità di ciascuna posizione agli indicatori di sostenibilità, GMO si basa sui dati forniti dalle società partecipate e da fornitori di dati indipendenti; nei casi in cui la copertura dei dati è insufficiente, GMO può avvalersi di ricerche e informazioni proprietarie e di dati ricavati dai documenti ufficiali presentati dalle società partecipate.

Il Consulente per gli investimenti seleziona i titoli da acquistare o vendere in base alla sua valutazione delle informazioni finanziarie pubblicate dagli emittenti e dell'andamento delle società (tenendo conto ad esempio di profit warning, emissione o riacquisto di azioni e operazioni degli amministratori sulle azioni della società), dei criteri di sostenibilità e altri criteri ESG (ambientali, sociali e di governance), dei prezzi dei titoli, prezzi delle materie prime, mercati azionari e obbligazionari, economia globale complessiva e politiche governative.

Quando esamina un investimento, il Consulente per gli investimenti valuterà se l'emittente soddisfa la soglia minima stabilita per le buone pratiche di governance, che incorporano valutazioni fondamentali e quantitative di aree come la gestione, la revisione e i controlli interni di una società, le relazioni con i dipendenti, le pratiche di retribuzione e la conformità fiscale e normativa. Le società partecipate vengono quindi monitorate per verificarne la continua conformità a questi standard. Nel caso in cui una società partecipata dimostri pratiche di governance continuamente inadeguate, il Consulente per gli investimenti prenderà in considerazione il coinvolgimento e la cessione. Nell'ambito di tale decisione, si valuterà se il coinvolgimento con tale società ha il potenziale di facilitare un'azione correttiva.

GMO Global Real Return (UCITS) Fund

Classificazione SFDR

Il Fondo è conforme all'Articolo 8 dell'SFDR.

Sintesi

Il Fondo mira a conseguire un rendimento superiore all'Indice G7 Consumer Price attraverso investimenti globali in titoli azionari, di debito, strumenti del mercato monetario, valute, strumenti relativi a indici di materie prime, REIT e derivati correlati.

GMO cerca di promuovere le caratteristiche ambientali o sociali applicando una serie di esclusioni all'universo d'investimento del Fondo. Il Fondo non investirà in: (i) società che GMO ritiene direttamente coinvolte in violazioni delle norme e delle convenzioni internazionali fondamentali, come descritto nei Principi del Global Compact delle Nazioni Unite; (ii) settori dell'economia che GMO ritiene dannosi dal punto di vista ambientale o sociale, come carbone, sabbie bituminose, tabacco e munizioni; (iii) Paesi o giurisdizioni che sono stati rimossi dall'indice MSCI ACWI + Frontier Markets; e (iv) società incluse in determinati elenchi di esclusione di terzi che possono cambiare periodicamente. Nonostante la restrizione di cui al precedente punto (iii), il Fondo può investire in società non appartenenti all'indice MSCI ACWI + Frontier Markets, sempre a condizione che tali società non siano state precedentemente rimosse dall'indice. Un elenco aggiornato degli elenchi di esclusione applicabili è disponibile sul sito internet di GMO all'indirizzo www.gmo.com/europe/grruf-exclusion-list/.

Il Fondo promuove le caratteristiche ambientali e sociali sopra descritte, ma non ha un obiettivo d'investimento sostenibile complessivo. Per il raggiungimento delle caratteristiche ambientali e sociali promosse dal Fondo non viene utilizzato nessun benchmark di riferimento.

GMO utilizza gli indicatori di sostenibilità descritti di seguito nella sezione "*Metodologie delle caratteristiche ambientali o sociali*" per misurare e monitorare il raggiungimento delle caratteristiche ambientali e sociali promosse dal Fondo. Al fine di valutare la conformità degli indicatori di sostenibilità di ciascuna posizione, GMO si basa su elenchi di esclusione gestiti da terzi e dati provenienti da società partecipate e fornitori di dati indipendenti. Laddove la copertura dei dati non sia sufficiente, GMO può utilizzare la ricerca proprietaria e informazioni proprie, oltre ai dati ricavati dai documenti ufficiali presentati dalle società partecipate.

Il Gestore degli investimenti utilizza le sue previsioni quantitative pluriennali di rendimento tra le varie classi di attivi, insieme alla sua valutazione dei rischi relativi di tali classi, per determinare le allocazioni del Fondo alle varie classi di attivi. Una componente importante di tali previsioni è l'aspettativa del Gestore degli investimenti che le valutazioni in ultima analisi convergano verso il loro valore equo (o intrinseco) fondamentale. Ogni previsione per la classe di attivo incorpora i punteggi ESG proprietari del Gestore degli investimenti, calcolati utilizzando un processo proprietario bottom-up. Tali punteggi ESG riflettono la valutazione del Gestore degli investimenti sul modo in cui gli eventi o le condizioni ESG potrebbero causare un impatto sostanziale sulla performance della classe di attivi pertinente. Le previsioni delle classi di attivi e, di conseguenza, le allocazioni relative del Fondo tra le varie classi, sono influenzate dai punteggi ESG. A parità di condizioni, le classi di attivo con un punteggio inadeguato nei criteri ESG avranno un'allocazione minore di quella ricevuta in caso di punteggi ESG adeguati. Il Gestore degli investimenti modifica le allocazioni del Fondo alle varie classi di attivi e strategie sottostanti in risposta alle variazioni delle proprie previsioni pluriennali di rendimento tra le classi di attivi, alla sua valutazione dei rischi relativi di tali classi e alle valutazioni di mercato.

Quando seleziona un investimento nell'ambito delle proprie strategie fondamentali, GMO valuterà se l'emittente sottostante soddisfa le buone pratiche di governance, in particolare per quanto riguarda strutture direttive solide, relazioni con i dipendenti, remunerazione del personale e conformità fiscale. L'analisi viene effettuata a livello di esposizione di un particolare emittente per quanto riguarda i rischi rilevanti associati a una buona governance e, fattore fondamentale, gli interventi del management per gestire tali rischi. I buoni standard di governance includono la composizione equilibrata, l'indipendenza, e la trasparenza del consiglio di amministrazione, nonché la divulgazione e la protezione dei diritti degli azionisti. Inoltre, viene verificata l'esistenza di gravi o continui problemi correlati a pratiche aziendali insostenibili, come gli abusi dei diritti umani e degli standard di lavoro, la corruzione e l'abuso degli azionisti di minoranza. Quando esamina un investimento nell'ambito delle sue strategie quantitative, GMO valuterà se l'emittente soddisfa la soglia minima stabilita per le buone pratiche di governance, che incorporano parametri di valutazione quantitativa di aree come la gestione, la revisione e i controlli interni di una società, le relazioni con i dipendenti, le pratiche di retribuzione e la conformità fiscale e normativa. Le società partecipate vengono quindi monitorate per verificarne la continua conformità a questi standard. Nel caso in cui una società partecipata dimostri punteggi continuamente inferiori alla soglia minima, GMO prenderà in considerazione il coinvolgimento e la cessione. Nell'ambito di tale decisione, si valuterà se il coinvolgimento con tale società ha il potenziale di facilitare un'azione correttiva.

GMO Climate Change Investment Fund

SFDR-classificatie

Het Fonds is een Artikel 8 Fonds in de zin van SFDR.

Samenvatting

Het Fonds streeft naar een hoog totaalrendement. De Beleggingsadviseur tracht de beleggingsdoelstelling van het Fonds te bereiken door hoofdzakelijk te beleggen in aandelen van bedrijven die volgens de Beleggingsadviseur gepositioneerd zijn om direct of indirect te profiteren van inspanningen om de langetermijneffecten van de wereldwijde klimaatverandering te beteugelen of te verzachten, om de ecologische uitdagingen van de wereldwijde klimaatverandering aan te pakken, of om de efficiëntie van het verbruik van natuurlijke hulpbronnen te verbeteren.

De Beleggingsadviseur beschouwt dergelijke bedrijven als bedrijven die betrokken zijn bij industrieën die verband houden met hernieuwbare energie, batterijen en energieopslag, elektriciteitsnetwerken, energie-efficiëntie, recycling en vervuilingsbestrijding, landbouw, water, en bedrijven die diensten verlenen aan dergelijke industrieën. Gezien de verstrekkende gevolgen en de evoluerende innovatie in verband met klimaatverandering verwacht de Beleggingsadviseur dat het universum van dergelijke ondernemingen betrokken zal zijn bij een breed scala van activiteiten.

Het Fonds bevordert de hierboven beschreven ecologische en sociale kenmerken en zal minimaal 70% van zijn portefeuille in duurzame beleggingen aanhouden, maar heeft geen algemene duurzame beleggingsdoelstelling.

Een referentiebenchmark wordt niet gebruikt om de ecologische kenmerken te bereiken die door het Fonds worden bevorderd.

GMO gebruikt de hieronder beschreven duurzaamheidsindicatoren onder "*Methodologieën voor ecologische of sociale kenmerken*" om het behalen van de ecologische kenmerken die het Fonds bevordert, te meten en te monitoren. Om de naleving van de duurzaamheidsindicatoren door elk bedrijf te beoordelen, baseert GMO zich op gegevens van de ondernemingen waarin wordt belegd en op gegevens van derden, en wanneer de gegevensdekking ontoereikend is, kan GMO gebruik maken van eigen onderzoek en informatie en van gegevens die zijn ontleend aan door de ondernemingen waarin wordt belegd, ingediende documenten.

De Beleggingsadviseur selecteert de effecten die het Fonds koopt of verkoopt op basis van zijn evaluatie van de gepubliceerde financiële informatie en het bedrijfsgedrag van emittenten (zoals winstwaarschuwingen, uitgifte of inkoop van aandelen en transacties van bestuurders in bedrijfsaandelen), duurzaamheid en andere ESG-criteria (milieu, sociaal en bestuur), effectenprijzen, grondstoffenprijzen, aandelen- en obligatiemarkten, de algemene wereldeconomie en overheidsbeleid.

Bij het overwegen van een belegging zal de Beleggingsadviseur overwegen of de emittent voldoet aan zijn minimumdrempel voor goede bestuurspraktijken, die fundamentele en kwantitatieve beoordelingen omvat van gebieden zoals het management, de audit en interne controles, arbeidsverhoudingen, compensatiepraktijken en naleving van belasting- en regelgeving. Bedrijven waarin wordt belegd worden vervolgens gecontroleerd op voortdurende naleving van deze normen. In het geval dat een onderneming waarin wordt belegd aanhoudende slechte bestuurspraktijken vertoont, zal de Beleggingsadviseur zowel betrokkenheid als verkoop van de belegging overwegen. Een deel van die bepaling zal rekening houden met het potentieel dat betrokkenheid bij een dergelijk bedrijf corrigerende maatregelen kan faciliteren.

GMO Climate Change Select Investment Fund

SFDR-classificatie

Het Fonds is een Artikel 9 Fonds in de zin van SFDR.

Samenvatting

Het beleggingsdoel van het Fonds is om een hoog totaal rendement te realiseren door hoofdzakelijk te beleggen in effecten van bedrijven die volgens de Beleggingsadviseur in een positie verkeren om direct of indirect te profiteren van inspanningen om de langetermijneffecten van de wereldwijde klimaatverandering te beperken of te verzachten, om de ecologische uitdagingen van de wereldwijde klimaatverandering aan te pakken, of om de efficiëntie van het verbruik van natuurlijke hulpbronnen te verbeteren. Hoewel het Fonds duurzame beleggingen als doelstelling heeft zoals beschreven in de voorgaande zin, maakt een vermindering van de koolstofuitstoot geen deel uit van een dergelijke doelstelling.

De Beleggingsadviseur is van mening dat bedrijven die direct of indirect kunnen bijdragen aan de duurzame beleggingsdoelstelling van het Fonds, bedrijven zijn die actief zijn in industrieën die verband houden met hernieuwbare energie, batterijen en opslag, elektriciteitsnet, energie-efficiëntie, recycling en bestrijding van vervuiling, landbouw, water en bedrijven die diensten verlenen aan dergelijke industrieën. Gezien de verstrekkende gevolgen en de evoluerende innovatie in verband met klimaatverandering verwacht de Beleggingsadviseur dat het universum van dergelijke ondernemingen betrokken zal zijn bij een breed scala van activiteiten.

Het Fonds zal een minimumaandeel van 90% van zijn portefeuille in duurzame beleggingen hebben. Een referentiebenchmark wordt niet gebruikt om de duurzame beleggingsdoelstelling van het Fonds te bereiken.

GMO gebruikt de hieronder onder "Methodologieën" beschreven duurzaamheidsindicatoren om de verwezenlijking van de duurzame beleggingsdoelstelling van het Fonds te meten en te controleren. Om de naleving van de duurzaamheidsindicatoren door elk bedrijf te beoordelen, baseert GMO zich op gegevens van de ondernemingen waarin wordt belegd en op gegevens van derden, en wanneer de gegevensdekking ontoereikend is, kan GMO gebruik maken van eigen onderzoek en informatie en van gegevens die zijn ontleend aan door de ondernemingen waarin wordt belegd, ingediende documenten.

De Beleggingsadviseur selecteert de effecten die het Fonds koopt of verkoopt op basis van zijn evaluatie van de gepubliceerde financiële informatie en het bedrijfsgedrag van emittenten (zoals winstwaarschuwingen, uitgifte of inkoop van aandelen en transacties van bestuurders in bedrijfsaandelen), duurzaamheid en andere ESG-criteria (milieu, sociaal en bestuur), effectenprijzen, grondstoffenprijzen, aandelen- en obligatiemarkten, de algemene wereldeconomie en overheidsbeleid. De Beleggingsadviseur kan in gesprek gaan met het management van ondernemingen om de conclusies van het onderzoek van de Beleggingsadviseur te bevestigen, en kan besprekingen met het management en bezoeken ter plaatse gebruiken als integraal onderdeel van het beleggingsselectieproces.

Bij het overwegen van een belegging zal de Beleggingsadviseur overwegen of de emittent voldoet aan zijn minimumdrempel voor goede bestuurspraktijken, die fundamentele en kwantitatieve beoordelingen omvat van gebieden zoals het management, de audit en interne controles, arbeidsverhoudingen, compensatiepraktijken en naleving van belasting- en regelgeving. Bedrijven waarin wordt belegd worden vervolgens gecontroleerd op voortdurende naleving van deze normen. In het geval dat een onderneming waarin wordt belegd aanhoudende slechte bestuurspraktijken vertoont, zal de Beleggingsadviseur zowel betrokkenheid als verkoop van de belegging overwegen. Een deel van die bepaling zal rekening houden met het potentieel dat betrokkenheid bij een dergelijk bedrijf corrigerende maatregelen kan faciliteren.

GMO Global Real Return (UCITS) Fund

SFDR-classificatie

Het Fonds is een Artikel 8 Fonds in de zin van SFDR.

Samenvatting

Het fonds streeft naar een rendement boven de consumentenprijsindex van de G7 door wereldwijd te beleggen in aandelen, schuldpapier, geldmarktinstrumenten, valuta's, instrumenten met betrekking tot grondstoffenindices, REIT's en gerelateerde derivaten.

GMO streeft ernaar ecologische of sociale kenmerken te bevorderen door een aantal uitsluitingen toe te passen op het beleggingsuniversum van het Fonds. Het Fonds zal niet beleggen in: (i) bedrijven die volgens GMO rechtstreeks medeplichtig zijn aan schendingen van fundamentele internationale normen en verdragen, zoals beschreven in de beginselen van de United Nations Global Compact; (ii) sectoren van de economie die volgens GMO schadelijk zijn voor het milieu of de samenleving, zoals steenkool, teerzanden, tabak en munitie; (iii) landen of rechtsgebieden die zijn verwijderd uit de MSCI ACWI + Frontier Markets Index; en (iv) bedrijven die zijn opgenomen op bepaalde uitsluitingslijsten van derden die van tijd tot tijd kunnen worden gewijzigd. Niettegenstaande de beperking in (iii) hierboven, kan het Fonds beleggen in bedrijven die geen deel uitmaken van de MSCI ACWI + Frontier Markets Index, op voorwaarde dat dergelijke bedrijven niet eerder uit de index zijn verwijderd. Een actuele lijst van geldende uitsluitingslijsten wordt bijgehouden op de website van GMO op www.gmo.com/europe/grruf-exclusion-list/.

Het Fonds bevordert de hierboven beschreven ecologische en sociale kenmerken, maar heeft geen algemene duurzame beleggingsdoelstelling. Een referentiebenchmark wordt niet gebruikt om de ecologische en sociale kenmerken te bereiken die door het Fonds worden bevorderd.

GMO gebruikt de hieronder beschreven duurzaamheidsindicatoren onder "*Methodologieën voor ecologische of sociale kenmerken*" om het behalen van de ecologische en sociale kenmerken die het Fonds bevordert, te meten en te monitoren. Om de naleving van de duurzaamheidsindicatoren door elk bedrijf te beoordelen, baseert GMO zich op uitsluitingenlijsten die door derden worden bijgehouden en op gegevens van bedrijven waarin wordt belegd en gegevensverstrekkers van derden. Wanneer de gegevensdekking onvoldoende is, kan GMO gebruikmaken van zijn eigen bedrijfseigen onderzoek en informatie en gegevens die zijn verkregen uit registratiedossiers van bedrijven waarin is belegd.

De Beleggingsbeheerder gebruikt zijn kwantitatieve meerjarenprognoses van rendementen tussen beleggingscategorieën, samen met zijn beoordeling van de relatieve risico's van dergelijke beleggingscategorieën, om de toewijzingen van het Fonds aan verschillende beleggingscategorieën te bepalen. Een belangrijk onderdeel van deze prognoses is de verwachting van de Beleggingsbeheerder dat waarderingen uiteindelijk terugkeren naar hun fundamentele reële (of intrinsieke) waarde. Elke prognose van de beleggingscategorie omvat de eigen ESG-scores van de Beleggingsbeheerder, berekend met behulp van een eigen bottom-upproces. Dergelijke ESG-scores weerspiegelen de beoordeling van de Beleggingsbeheerder over hoe ESG-gebeurtenissen of -omstandigheden een wezenlijke impact kunnen hebben op de prestaties van de relevante vermogenscategorie. De prognoses van de beleggingscategorieën en daarmee de relatieve toewijzingen van het Fonds aan beleggingscategorieën worden beïnvloed door de ESG-scores. Als al het andere gelijk blijft, zal aan beleggingscategorieën die slecht scoren op ESG minder worden toegewezen dan wanneer hun ESG-scores gunstig zouden zijn. De Beleggingsbeheerder wijzigt de toewijzingen van het Fonds aan onderliggende beleggingscategorieën en strategieën in reactie op wijzigingen in zijn meerjarige prognoses van rendementen tussen beleggingscategorieën, zijn beoordeling van de relatieve risico's van dergelijke beleggingscategorieën en marktwaarderingen.

Bij het overwegen van een belegging binnen zijn fundamentele strategieën zal GMO nagaan of de onderliggende emittent voldoet aan goede bestuurspraktijken, met name met betrekking tot gedegen beheersstructuren, arbeidsverhoudingen, beloning van personeel en naleving van de belastingwetgeving. Er wordt een analyse uitgevoerd van het blootstellingsniveau van een bepaalde emittent met betrekking tot relevante risico's in verband met goed bestuur en, kritisch gezien, de maatregelen van het management om dergelijke risico's te beheren. Tot de normen voor goed bestuur behoren evenwicht in de raad van bestuur, onafhankelijkheid, transparantie, openbaarmaking en bescherming van de rechten van aandeelhouders, en een onderzoek of de emittent het onderwerp is geweest van ernstige of aanhoudende bezorgdheid over niet-duurzame bedrijfspraktijken, zoals schending van de mensenrechten en arbeidsnormen, corruptie en misbruik van minderheidsaandeelhouders. Bij het overwegen van een belegging binnen zijn kwantitatieve strategieën zal GMO overwegen of de emittent voldoet aan zijn minimumdrempel voor goede bestuurspraktijken, die kwantitatieve beoordelingsstatistieken van het management, de audit en interne controles, arbeidsverhoudingen, compensatiepraktijken en naleving van belasting- en regelgeving van een bedrijf omvatten. Bedrijven waarin wordt belegd worden vervolgens gecontroleerd op voortdurende naleving van deze normen. In het geval dat een bedrijf waarin wordt belegd aanhoudende scores vertoont onder de minimale investeringsdrempel, zal GMO zowel betrokkenheid als verkoop van de belegging overwegen. Een deel van die bepaling zal rekening houden met het potentieel dat betrokkenheid bij een dergelijk bedrijf corrigerende maatregelen kan faciliteren.

GMO Climate Change Investment Fund -

SFDR-klassificering

Fonden är en artikel 8-fond i den mening som avses i SFDR.

Sammanfattning

Fondens investeringsmål är att uppnå hög totalavkastning. Investeringsrådgivaren försöker uppnå fondens investeringsmål genom att främst investera i aktier i företag som rådgivaren anser kan påverkas positivt, direkt eller indirekt, av insatser för att begränsa eller mildra de långsiktiga effekterna av globala klimatförändringar, hantera de miljöutmaningar som globala klimatförändringar innebär eller effektivisera resursförbrukningen.

Investeringsrådgivaren anser att sådana företag omfattar verksamheter som är involverade i branscher som rör ren energi, batterier och lagring, elnät, energieffektivitet, återvinning och föroreningskontroll, jordbruk, vatten och företag som levererar till dessa branscher. På grund av de långtgående effekterna och den föränderliga innovationen i samband med klimatförändringar förväntar sig investeringsrådgivaren att universumet av sådana företag ska vara involverade i ett brett spektrum av affärsområden.

Fonden främjar de miljömässiga och sociala egenskaper som beskrivs ovan och kommer att ha minst 70 % av sin portfölj i hållbara investeringar, men den har inget övergripande mål för hållbara investeringar.

Ett referensriktmärke används inte för att uppnå de miljöegenskaper som främjas av fonden.

GMO använder de hållbarhetsindikatorer som beskrivs nedan under "*Metoder för miljömässiga eller sociala egenskaper*" för att mäta och övervaka uppnåendet av de miljöegenskaper som fonden främjar. För att bedöma varje företags efterlevnad av hållbarhetsindikatorerna hänvisar GMO till data från investeringsföretag och tredjepartsdataleverantörer, och där datatäckningen är otillräcklig kan GMO använda sin egen forskning och information och data som hämtats från regulatoriska anmälningar som gjorts av investeringsföretag.

Investeringsrådgivaren väljer de värdepapper som fonden köper eller säljer baserat på sin utvärdering av emittenternas publicerade finansiella information och företagsbeteende (t.ex. vinstvarningar, aktieemission eller återköp, och direktörsaffärer i företagsaktier), hållbarhet och andra ESG-kriterier (miljö, sociala förhållanden och styrning), värdepapperspriser, råvarupriser, aktie- och obligationsmarknader, den övergripande globala ekonomin och statliga policyer.

Vid övervägande av en investering kommer investeringsrådgivaren att överväga om emittenten uppfyller sitt lägsta tröskelvärde för god förvaltningssed, som innefattar grundläggande och kvantitativa bedömningar av områden som företagsledning, revision och interna kontroller, anställningsrelationer, kompensationspraxis och skatte- och regleringsefterlevnad. Investerade företag övervakas sedan för kontinuerlig efterlevnad av dessa standarder. I de fall där ett investeringsbolag uppvisar varaktiga dåliga styrningsmetoder kommer investeringsrådgivaren att överväga både engagemang och avyttring. En del av detta beslut kommer att överväga potentialen att engagemang med ett sådant företag skulle kunna underlätta korrigerande åtgärder.

GMO Global Real Return (UCITS) Fund

SFDR-klassificering

Fonden är en artikel 8-fond i den mening som avses i SFDR.

Sammanfattning

Fonden strävar efter att uppnå en avkastning som överstiger G7:s konsumentprisindex genom globala investeringar i aktier, skulder, penningmarknadsinstrument, valutor, instrument som rör råvaruindex, REIT och relaterade derivat.

GMO syftar till att främja miljömässiga eller sociala egenskaper genom att tillämpa ett antal undantag till fondens investeringsuniversum. Fonden kommer inte att investera i: (i) företag som GMO anser är direkt delaktiga i brott mot centrala internationella normer och konventioner, som beskrivs i FN:s Global Compact-principer; (ii) sektorer av ekonomin som GMO fastställer är miljömässigt eller socialt skadliga, som kol, tjärsand, tobak, och ammunition; (iii) länder eller jurisdiktioner som har tagits bort från MSCI ACWI + Frontier Markets Index; och (iv) företag som finns med på vissa förteckningar över tredjepartsuteslutningar som kan ändras från tid till annan. Trots begränsningen i (iii) ovan får fonden investera i bolag som inte ingår i MSCI ACWI + Frontier Markets Index, förutsatt att sådana bolag inte tidigare har tagits bort från indexet. En aktuell lista över tillämpliga undantagslistor finns på GMO:s webbplats på www.gmo.com/europe/grruf-exclusion-list/.

Fonden främjar de miljömässiga och sociala egenskaper som beskrivs ovan, men den har inget övergripande mål för hållbara investeringar. Ett referensriktmärke används inte för att uppnå de miljömässiga och sociala egenskaper som främjas av fonden.

GMO använder de hållbarhetsindikatorer som beskrivs nedan under "*Metoder för miljömässiga eller sociala egenskaper*" för att mäta och övervaka uppnåendet av de miljömässiga och sociala egenskaper som fonden främjar. För att bedöma varje företags efterlevnad av hållbarhetsindikatorerna förlitar sig GMO på undantagslistor som upprätthålls av tredje parter och data från investeringsföretag och tredje parts dataleverantörer. Om datatäckningen är otillräcklig kan GMO använda sin egen äganderättsskyddade forskning och information och data från ansökningar från investeringsföretag.

Investeringsförvaltaren använder sina kvantitativa fleråriga prognoser för avkastning bland tillgångsklasser, tillsammans med sin bedömning av de relativa riskerna med sådana tillgångsklasser, för att bestämma fondens tilldelningar till olika tillgångsklasser. En viktig del av dessa prognoser är investeringsförvaltarens förväntan att värderingarna i slutändan återgår till sitt grundläggande rimliga (eller inneboende) värde. Varje tillgångsklassprognos innehåller investeringsförvaltarens egenutvecklade ESG-poäng, beräknade med hjälp av en egenutvecklad bottom-up-process. Sådana ESG-poäng återspeglar investeringsförvaltarens bedömning av hur ESG-händelser eller -förhållanden kan orsaka en väsentlig inverkan på den relevanta tillgångsklassens resultat. Prognoserna för tillgångsklasserna och följaktligen fondens relativa allokeringar mellan tillgångsklasserna påverkas av ESG-poängen. Om allt annat är lika, tillgångsklasser som har dåligt betyg på ESG kommer att tilldelas mindre än de skulle ha gjort om deras ESG-poäng var gynnsamma. Investeringsförvaltaren ändrar fondens allokeringar till underliggande tillgångsklasser och strategier som svar på förändringar i sina fleråriga prognoser över avkastning bland tillgångsklasser, sin bedömning av de relativa riskerna med sådana tillgångsklasser och marknadsvärderingar.

När man överväger en investering inom ramen för sina grundläggande strategier kommer GMO att överväga om den underliggande emittenten uppfyller god förvaltningssed, särskilt när det gäller sunda ledningsstrukturer, anställningsförhållanden, personalersättning och skatteefterlevnad. Analys görs av exponeringsnivån för en viss emittent med avseende på relevanta risker i samband med god styrning och, viktigast, ledningens åtgärder för att hantera sådana risker. Goda styrelseformer omfattar styrelsebalans, självständighet, öppenhet, offentliggöranden och skydd av aktieägares rättigheter samt en översyn av huruvida emittenten har varit föremål för allvarliga eller pågående farhågor om ohållbara affärsmetoder, såsom kränkningar av mänskliga rättigheter och arbetsnormer, korruption och missbruk av minoritetsaktieägare. När man överväger en investering inom sina kvantitativa strategier kommer

GMO att överväga om emittenten uppfyller sitt lägsta tröskelvärde för god förvaltningssed, som innehåller kvantitativa bedömningsmått för ett företags ledning, revision och interna kontroller, anställningsrelationer, kompensationsmetoder och skatte- och regleringsefterlevnad. Investerade företag övervakas sedan för kontinuerlig efterlevnad av dessa standarder. Om ett investeringsbolag uppvisar bestående resultat under minimigränsen för investeringar kommer GMO att överväga både engagemang och avyttring. En del av detta beslut kommer att överväga potentialen att engagemang med ett sådant företag skulle kunna underlätta korrigerande åtgärder.

GMO Quality Select Investment Fund

SFDR-klassifisering

Fondet er et artikkel 8-fond i henhold til SFDR.

Sammendrag

Fondet søker totalavkastning ved å investere i aksjer og aksjerelaterte verdipapirer i selskaper som investeringsrådgiveren mener er av høy kvalitet. Et selskap av høy kvalitet er generelt ett som investeringsrådgiveren mener har en etablert virksomhet som vil levere et høyt avkastningsnivå på tidligere investeringer, og som vil utnytte kontantstrømmer i fremtiden ved å gjøre investeringer med potensial for høy avkastning på kapital eller ved å returnere kontanter til aksjonærer gjennom utbytte, tilbakekjøp av aksjer eller andre mekanismer.

Fondet vil bli forvaltet for å opprettholde et karbonavtrykk på porteføljenivå som er under nivået til MSCI World Index[5]. I det tilfellet fondets karbonavtrykk på noe tidspunkt overstiger MSCI World Indexs' karbonavtrykk av grunner utenfor investeringsrådgiverens kontroll, skal investeringsrådgiveren prioritere å avhjelpe denne situasjonen, med behørig hensyn til andelseiernes interesser.

Investeringsrådgiveren ekskluderer fra fondets investeringsunivers: (i) selskaper som vises på Norges Banks utelukkelsesliste https://www.nbim.no/en/responsible-investment/exclusion-of-companies/; og (ii) selskaper som investeringsrådgiveren har bestemt er i følgende bransjer: fossilt brensel, tobakk, alkohol, gambling, voksenunderholdning og kontroversiell ammunisjon. Investeringsrådgiverens metode for fastsettelse av bransjeklassifiseringer er tilgjengelig på https://www.gmo.com/europe/IDM/ og kan endres fra tid til annen.

Fondet fremmer miljømessige og sosiale egenskaper på de måtene som er beskrevet ovenfor, men har ikke et overordnet mål om bærekraftige investeringer. En refererende referanseverdi brukes ikke for å oppnå de miljømessige egenskapene som fondet fremmer. Se imidlertid ovenfor for relevansen av MSCI World Index for investeringsvalgprosessen som investeringsrådgiveren bruker.

GMO bruker bærekraftsindikatorene som er beskrevet nedenfor under «*Metodologier for miljømessige eller sosiale egenskaper*» for å måle og overvåke oppnåelsen av de miljømessige egenskapene som fondet fremmer. For å vurdere hver aksjeposts overholdelse av bærekraftsindikatorene, refererer GMO til data fra selskaper det er investert i og tredjeparts dataleverandører. Overholdelse av utelukkelseslistene måles ved henvisning til data fra selskaper det er investert i og tredjeparts dataleverandører. Der datadekningen er utilstrekkelig, kan GMO benytte seg av egen forskning og informasjon og data fra regulatoriske registreringer foretatt av selskapene det investeres i.

Ved utvelgelsen av verdipapirer for fondet bruker investeringsrådgiveren en kombinasjon av investeringsmetoder som vanligvis tar hensyn til både systematiske faktorer, basert på lønnsomhet, resultatstabilitet, gjeldsgrad og annen offentlig tilgjengelig finansiell informasjon, og skjønnsmessige faktorer, basert på en vurdering av fremtidig lønnsomhet, kapitalallokering, bærekraft i forhold til konkurransekreftene og vekstmuligheter. Investeringsrådgiveren kan også benytte seg av verdsettelsesmetoder som diskonterte kontantstrømanalyser og multipler av pris i forhold til inntjening, omsetning, bokført verdi eller andre grunnleggende nøkkeltall. Valget av verdipapirer er underlagt begrensningene og unntakene for karbonavtrykk på porteføljenivå som er beskrevet her. Investeringsrådgiveren kan også ta hensyn til ESG-kriterier (miljø, sosiale forhold og selskapsstyring) i den grad de er knyttet til verdsettelsen av investeringene, samt handelsmønstre, for eksempel kursbevegelser eller volatilitet for et verdipapir eller grupper av verdipapirer.

Fondet kan til tider ha betydelig eksponering mot en enkelt aktivaklasse, bransje, land, region, valuta eller utsteder. Fondet kan investere i verdipapirer i selskaper med en hvilken som helst markedsverdi.

[5] Karbonavtrykk måles i samsvar med vedlegg I til SFDR nivå 2-forordningen, unntatt for ekskludering av omfang 3-GHG-utslipp som følge av utilstrekkelig datadekning.

Faktorene som investeringsrådgiveren vurderer og investeringsmetodene som brukes, kan endres over tid. Investeringsrådgiveren forvalter ikke fondet i forhold til, eller kontrollerer fondets risiko i forhold til, noen verdipapirindeks eller referanseindeks.

Når investeringsrådgiveren vurderer en investering innenfor de grunnleggende strategiene, vil vedkommende vurdere om den underliggende utstederen har god praksis for eierstyring og selskapsledelse, særlig med hensyn til sunne ledelsesstrukturer, relasjoner til de ansatte, avlønning av ansatte og overholdelse av skattereglene. Det foretas en analyse av hvor eksponert en bestemt utsteder er for relevante risikoer knyttet til god selskapsstyring og, ikke minst, ledelsens tiltak for å håndtere slike risikoer. Standarder for god eierstyring og selskapsledelse omfatter blant annet balanse i styret, uavhengighet, åpenhet, offentliggjøring og beskyttelse av aksjonærrettigheter, samt en vurdering av om utstederen har vært gjenstand for alvorlige eller vedvarende bekymringer om uholdbar forretningspraksis, for eksempel brudd på menneskerettigheter og arbeidsstandarder, korrupsjon og misbruk av minoritetsaksjonærer.

APPENDIX 3

GMO POLICY FOR ASSESSING GOOD GOVERNANCE PRACTICES OF INVESTEE COMPANIES IN CONNECTION WITH SFDR

1 December 2022

1. Definitions

"**Article 8 Fund**" means a Fund that is classified pursuant to Article 8 of the SFDR and promotes, among other characteristics, environmental or social characteristics;

"**Article 9 Fund**" means a Fund that is classified pursuant to Article 9 of the SFDR and has sustainable investment as its objective;

"**SFDR**" means the EU Sustainable Finance Disclosures Regulation (2019/2088) on sustainability-related disclosures in the financial services sector, as amended;

"**GMO**" means Grantham, Mayo, Van Otterloo & Co. LLC.

2. Introduction

The SFDR precludes investment by Article 8 and Article 9 Funds in securities issued by companies that do not follow good governance practices. Accordingly, this policy details how GMO determines whether prospective and ongoing investee companies adhere to the good governance criteria of its Article 8 and Article 9 Funds (each a "**Fund**" and together the "**Funds**").

3. The Good Governance Assessment Process

GMO's portfolio managers and investment teams are responsible for the initial and ongoing assessment and monitoring of the governance practices of the companies in which they invest. This assessment is inherently subjective and must be made in the context of the relevant strategy and the fiduciary duties owed to the Funds, using available data and research the portfolio managers and investment teams deem to be most relevant. Assessment of an investee company's governance practices is complex and may be based on data which is difficult to obtain and incomplete, estimated, out of date or otherwise materially inaccurate. Where insufficient data is available, GMO's assessment may make use of information and data gleaned from regulatory filings made by investee companies. Portfolio managers and investment teams may also from time to time engage directly with investee companies to seek further information, to address concerns and/or to remedy issues with respect to governance practices that the portfolio managers and investment teams may identify.

When considering an investment using fundamental techniques, GMO considers whether the underlying issuer meets good governance practices, in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance. Analysis is undertaken on the level of exposure of a particular issuer with regard to relevant risks associated with good governance and management's actions to manage such risks. Good governance standards include board balance, independence, transparency, disclosure, the protection of shareholder rights, and a review of whether the issuer has been the subject of serious or ongoing concerns about unsustainable business practices, such as human rights and labour standards abuses, corruption and abuse of minority shareholders. Among the considerations included within a fundamental assessment are:

- ***Management Structures***: accurate reporting to the markets (e.g. unqualified annual financial statements); compliance with Principle 10 of the UN Global Compact (the "**UNGC**") on anti-bribery and corruption; the ability of the board to challenge and counsel management; and board diversity.

- ***Employee Relations***: compliance with Principle 4 of the UNGC on forced and compulsory labour; and history of strikes or other material labour strife.

- ***Remuneration of Staff***: the extent to which compensation incentives align with the interests of shareholders; the integration of equity ownership in the company into executive compensation; and the rationale behind compensation plan structures, performance-based compensation and the accountability of compensation committees for compensation outcomes.

- ***Tax Compliance***: GMO is unaware of significant controversies on taxation and accounting; reliability of data provided by companies; the level of transparency companies provide; the frequency, timeliness and scope of internal and external audit and controls reports; any restatements of financial results, adverse opinions, material deficiencies or identified misstatements in disclosures; and any other audit-related events such as a change in or resignation of the auditor.

When considering an investment using quantitative techniques, GMO considers whether the issuer meets its minimum threshold for good governance practices, which incorporate quantitative assessment metrics of a company's management, audit and internal controls, employee relations, compensation practices, and tax and regulatory compliance. Investee companies are then monitored for on-going compliance with these standards. Among the considerations included within a quantitative assessment are:

- ***Management Structures***: companies are evaluated using metrics based on the ownership structure, shareholder voting rights, and the effectiveness of structures to manage risk and to hold both board and management accountable to shareholders and stakeholders.

- ***Employee Relations***: companies are evaluated using third-party metrics on compliance with the UNGC criteria, of which Principle 4 captures such measures.

- ***Remuneration of Staff***: companies are evaluated using metrics based on executive and other senior management compensation, and its alignment with the goals and objectives of the firm.

- ***Tax Compliance***: companies are evaluated using metrics which evaluate compliance with legal, tax and regulatory requirements, as well as other business ethics issues.

Metrics on management structures, employee relations and remuneration of staff are based on data collected from multiple third party vendors and/or drawn from regulatory filings where limited or no data is available (e.g. where third party vendors' coverage of small-cap investee companies is insufficient), and then combined to create a composite Governance Pillar score for each company. Target investee companies evaluated using the foregoing quantitative techniques must meet a minimum threshold score to be eligible for investment, and must also not be in violation of the UNGC principles on the selected third-party measure.

The extent to which the fundamental techniques and quantitative techniques are employed with respect to a company's assessment will vary based on the strategy involved and the particular company. Some companies will be assessed using one of the two types of techniques while the assessment of others may use a combination. In addition, the weight given to the considerations undertaken will also vary by strategy and investee company.

Where the assessment identifies issues in respect of good governance for an investee company, the relevant portfolio managers and investment team may choose not to invest (or divest if the company is then-held by the relevant Fund). Alternatively, the portfolio managers and investment team may consider whether there is a reasonable basis for believing that the investee company has the ability and is willing to correct its deficiencies. Part of that determination will also consider the potential that engagement with such company could facilitate corrective action. In such cases, the portfolio managers and investment team may choose to invest (or remain invested) on that basis.

APPENDIX 4

SFDR PRE-CONTRACTUAL DISCLOSURES FOR ARTICLE 8 AND ARTICLE 9 FUNDS

ANNEX II

Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: GMO Climate Change Investment Fund
Legal entity identifier: 5493000LONFX5BLX6C50

Environmental and/or social characteristics

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

☐ **Yes**	☒ **No**
☐ It will make a minimum of **sustainable investments with an environmental objective:** ___% ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☒ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 70% of sustainable investments ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy ☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy ☐ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective:** ___%	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

The Fund promotes environmental characteristics by investing primarily in equities of companies that the Investment Adviser believes are positioned to directly or indirectly benefit 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 improve the efficiency of resource consumption.

A reference benchmark is not used for the purposes of attaining the environmental characteristics promoted by the Fund.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

- ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

The sustainability indicators used to measure the attainment of each of the environmental or social characteristics promoted by the Fund are:

iii) the requirement that investee companies generate 50% or more of revenues from activities related to Climate Change Mitigation or Climate Change Adaptation (each as defined below) as determined by the Investment Adviser or are projected by the Investment Adviser at the time of investment to generate 50% or more of revenues from such activities within a five year period; and

iv) the percentage of holdings that comply with the exclusions detailed below under "*What are the binding elements of the investment strategy used to select the investments to attain the sustainable investment objective*?".

For the purposes of i) above, the Investment Adviser considers activities related to"Climate Change Mitigation" to be those that contribute to the clean energy transition or lower carbon intensity activities, including, without limitation, companies in the following sectors: clean energy (e.g., solar, wind biofuels); batteries and storage; electric grid; energy efficiency; and efficiency technology and materials. The Investment Adviser considers activities related to "Climate Change Adaptation" to be those that aid the world's ability to adapt to actual and expected climate change and its impacts, including, without limitation, companies in the following sectors: agriculture (e.g., farming, timber, fish farming); water treatment, efficiency and recycling; and energy-efficient air conditioning.

For the avoidance of doubt, the terms "Climate Change Mitigation" and "Climate Change Adaptation" referred to above are as defined under the proprietary framework adopted by the Investment Adviser. As noted below under "*To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy*?", the Fund does not currently intend to be aligned with the Taxonomy Regulation nor does the Investment Adviser currently collect Taxonomy-related data. Accordingly, 0% of the Fund's investments will be aligned with the environmental objectives under the Taxonomy Regulation.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

The sustainable investments of the Fund primarily comprise equities of companies which contribute through their activities to 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 improve the efficiency of resource consumption.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

The Investment Adviser shall ensure that the investments of the Fund do not significantly harm either the environmental or social objective set out in SFDR, as amended, taking into account the life cycle of products and services provided by the economic activities engaged in by the relevant companies, and the companies in which the Fund invests follow good governance practices, in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance.

How have the indicators for adverse impacts on sustainability factors been taken into account?

The Investment Adviser takes into account the indicators for adverse impacts in Table 1 of Annex I and any relevant indicators in Tables 2 and 3 of Annex I to the Regulatory Technical Standards on SFDR by applying a sub-set of those indicators at the stage of the initial investment in the relevant securities and on an ongoing basis depending on the nature of the investee company.

Such adverse impact indicators are addressed on an ongoing basis with investee companies through stewardship activities, including proxy voting, one-to-one engagement and collective engagement initiatives such as the Carbon Disclosure Project.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

The Fund's sustainable investments will not include companies which contravene the OECD Guidelines for Multinational Enterprises or the UN Guiding Principles on Business and Human Rights. The Investment Adviser uses data from third party providers to identify potential contraventions. In the event that there are differences between the third party data providers' views of an investee company's alignment with the OECD Guidelines for Multinational Enterprises or with the UN Guiding Principles on Business and Human Rights, or the Investment Adviser disagrees with the conclusions reached by one or more such third party data providers, the Investment Adviser will carry out its own assessment which may be informed by the third party data and its own internal research.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.
The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.
Any other sustainable investments must also not significantly harm any environmental or social objectives.

Does this financial product consider principal adverse impacts on sustainability factors?

☐ Yes, ______

X No

The Manager, acting through the Investment Adviser as its delegate, does not consider the PAIs of its investment decisions on sustainability factors, within the meaning of Article 4(1)(a) of SFDR, for the time being. The Investment Adviser does not currently do so because, among other reasons, the Investment Adviser is not, in its view, currently in a position to obtain and/or measure all the data which it would be required by SFDR to report, or to do so systematically, consistently and at a reasonable cost with respect to all its investment strategies to investors. This is in part because underlying investments are not widely required to, and may not currently, report by reference to the same data. In addition, the European Commission has requested advice from the European Supervisory Authorities on (i) streamlining and developing further the regulatory framework; (ii) potentially extending the lists of universal indicators for PAIs; and (iii) refining the content of all the PAI indicators and their respective definitions, applicable methodologies, metrics, and presentation. The Investment Adviser's position on this matter will be reviewed as and when there is more regulatory certainty and at least annually.

What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The Investment Adviser seeks to achieve the Fund's investment objective by investing primarily in equities of companies the Investment Adviser believes are positioned to directly or indirectly benefit 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 improve the efficiency of resource consumption.

In selecting securities for the Fund, the Investment Adviser uses a combination of investment methods to identify securities the Investment Adviser believes have positive return potential. Some of these methods evaluate individual issuers or groups of issuers based on the ratio of their security price to historical financial information and forecasted financial information, such as profitability, cash flow and earnings, and a comparison of these ratios to current and historical industry, market or company averages. Other methods focus on patterns of information, such as price movement or volatility of a security or groups of securities. The Fund may invest its assets in securities of companies of any market capitalisation and may invest a significant portion of its assets in securities of companies with smaller market capitalisation. The Fund has no limit on the amount it may invest in any single asset class, sector, country, or region. At times, the Fund may have substantial exposure to a single industry, asset class, sector, country or region.

For further information, please see the 'Investment Objectives and Policies of the Funds' section of the Prospectus.

- ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

In its promotion of environmental characteristics, the Investment Adviser seeks to identify companies whose businesses directly or indirectly contribute to efforts to curb or mitigate the long-term effects of global climate change, address the environmental challenges presented by global climate change, or improve the efficiency of resource consumption. It uses both fundamental and quantitative methods in constructing the Fund's portfolio. For investments selected primarily through fundamental methods, ESG factors are assessed in the course of a deep analysis of a potential investment's characteristics and integrated holistically into the Investment Adviser's decision-making process. Investments driven primarily through quantitative techniques rely more generally on the use of third-party standards, guidelines and metrics, data from issuers comprised in portfolios managed or advised by the Investment Adviser (including the Fund, other funds or accounts), company reports and publicly available information. Its quantitative analysis includes assessments of information at both industry and issuer levels. The Fund's investments may include companies whose own activities may present material sustainability risks, but whose businesses are essential for combatting climate change. The Investment Adviser actively engages with these companies, among others, on material ESG issues with an aim of promoting more sustainable corporate behaviour.

With respect to the Fund's sustainable investments, the Investment Adviser employs a framework that is based upon assessing the direct and indirect effect of the products and services of the underlying companies.The Investment Adviser's assessment of such contribution considers the relationship between the product and/or service and the relevant aspects of climate change or resource consumption they relate to and the materiality of the contribution they make to the promotion of sustainable characteristics.

The Fund will measure contribution to the attainment of the promoted environmental or social characteristics by requiring that investee companies generate 50% or more of revenues from activities related to Climate Change Mitigation or Climate Change Adaptation as determined by the Investment Adviser or are projected by the Investment Adviser at the time of investment to generate 50% or more of revenues from such activities within a five year period.

In addition, the Investment Adviser will exclude companies that are part of the Carbon Underground 200 list, which is a list of the top 100 coal and the top 100 oil and gas publicly-traded reserve holders globally, ranked by the potential carbon emissions content of their reported reserves.

The ESG-related exclusions referred to above apply at the time of acquisition of the relevant securities and in the event of any subsequent inadvertent holding of securities in breach of these principles or exclusions, the Investment Adviser shall dispose of any such securities as as soon as reasonably practicable having regard to the best interests of the Fund and its Shareholders.

- ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

N/A. There is no committed minimum rate to reduce the scope of the investments considered prior to the application of the investment strategy.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

- ***What is the policy to assess good governance practices of the investee companies?***

When considering an investment, the Investment Adviser will consider whether the underlying issuer meets good governance practices, in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance. Analysis is undertaken on the level of exposure of a particular issuer with regard to relevant risks associated with good governance and management's actions to manage such risks. Good governance standards include board balance, independence, transparency, disclosure and the protection of shareholder rights, and a review of whether the issuer has been the subject of serious or ongoing concerns about unsustainable business practices, such as human rights and labour standards abuses, corruption and abuse of minority shareholders. Investee companies are then monitored for on-going compliance with these standards. In the case where the Investment Adviser determines that an investee company is below standard, the Investment Adviser will consider both engagement and divestment.

Asset allocation describes the share of investments in specific assets.

For more information on the Investment Adviser's good governance policy, refer to "*Where can I find more product specific information online*?" below.

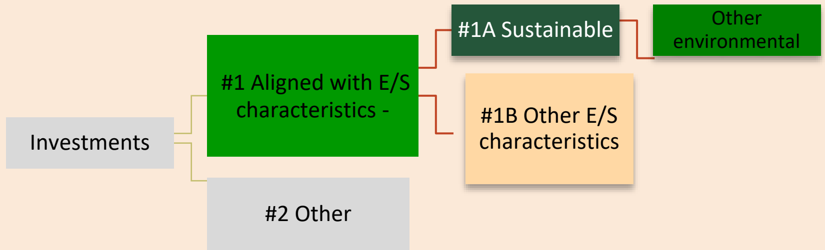
What is the asset allocation planned for this financial product?

GMO intends that 100% of the Fund's direct and indirect investments, excluding cash on deposit and other ancillary liquid assets, will be aligned with the environmental and social characteristics described above.

In addition, as noted above under "*Does this financial product have a sustainable investment objective*?", the Fund will have a minimum proportion of 70% of sustainable investments.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.
#2Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.
The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

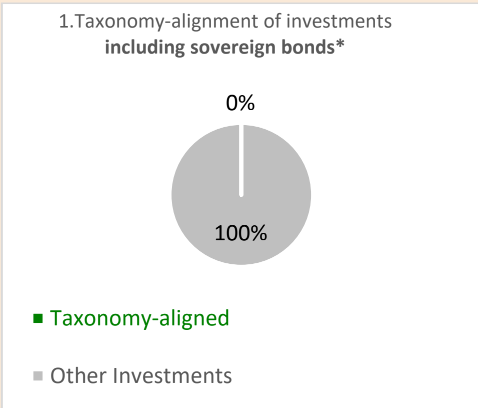
How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

The Fund invests in equities in a manner consistent with the environmental characteristics promoted by the Fund. As an alternative to investing directly in such equities, the Fund may use exchange-traded and OTC derivatives to gain indirect exposures to such equities.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



* *For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

What is the minimum share of investments in transitional and enabling activities?

N/A

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

100%.

The Fund does not commit to make investments that contribute to the environmental objectives identified in the Taxonomy Regulation. The Manager, acting through the Investment Adviser as its delegate, does not currently collect data as to whether: (i) the underlying investments of the Fund take into account the EU criteria for environmentally sustainable economic activities as defined in the Taxonomy Regulation; and (ii) the "do no significant harm" principle under the Taxonomy Regulation applies to those investments. In the European Commission's responses to questions from the European Supervisory Authorities in respect of SFDR (the "EC Q&A") published on 25 May 2022, the European Commission advised that where a financial market participant (such as the Manager) fails to collect data on the environmental objectives set out in the Taxonomy Regulation and on how and to what extent the investments underlying a financial product (such as a Fund) are in economic activities that qualify as environmentally sustainable under the Taxonomy Regulation, the pre-contractual disclosures under SFDR for that financial product must indicate zero. The Fund does not currently intend to be aligned with the Taxonomy Regulation nor does the Investment Adviser currently collect the Taxonomy-related data referred to above. Accordingly, as required by the EC Q&A, 0% of the Fund's investments will be aligned with the environmental objectives under the Taxonomy Regulation. The Investment Adviser will keep the Fund's position vis-à-vis the Taxonomy Regulation under consideration and, to the extent required, the Prospectus will be amended accordingly.

Investments that are not aligned with the Taxonomy Regulation are not by implication environmentally harmful or unsustainable. In addition, not all economic activities are covered by the Taxonomy Regulation as it was not possible to develop criteria for all sectors where activities could conceivably make a substantial contribution.

What is the minimum share of socially sustainable investments?

0%.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

"Other" in this context includes only cash on deposit and and other ancillary liquid assets for which there are no minimum environmental or social safeguards.

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

A reference benchmark is not used for the purposes of attaining the environmental characteristics promoted by the Fund.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

  N/A

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  N/A

- ***How does the designated index differ from a relevant broad market index?***

  N/A

- ***Where can the methodology used for the calculation of the designated index be found?***

N/A

Where can I find more product specific information online?

More product-specific information can be found on the website:

[GMO - SFDR framework]

ANNEX III

Template pre-contractual disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

Product name: GMO Climate Change Select Investment Fund
Legal entity identifier: 549300MJUY8ZSFTDNV60

Sustainable investment objective

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

[X] **Yes**	[ ] **No**
[X] It will make a minimum of **sustainable investments with an environmental objective:** 90%	[ ] It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments
[ ] in economic activities that qualify as environmentally sustainable under the EU Taxonomy	[ ] with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
[X] in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	[ ] with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	[ ] with a social objective
[ ] It will make a minimum of **sustainable investments with a social objective:**	[ ] It promotes E/S characteristics, but **will not make any sustainable investments**

What is the sustainable investment objective of this financial product?

The sustainable investment objective of the Fund is to invest in equities of companies that the Investment Adviser believes are positioned to directly or indirectly contribute to 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 improve the efficiency of resource consumption. While the Fund has sustainable investment as its objective as described in the foregoing sentence, a reduction in carbon emissions does not form part of its objective. A reference benchmark is not used for the purposes of attaining the sustainable investment objective.

The wider investment objective of the Fund is set out in the 'Investment Objectives and Policies of the Funds' section of the Prospectus.

Sustainability indicators measure how the sustainable objectives of this financial product are attained.

What sustainability indicators are used to measure the attainment of the sustainable investment objective of this financial product?

The sustainability indicators used to measure the attainment of the sustainable investment objective are:

i) the requirement that investee companies generate 50% or more of revenues from activities related to Climate Change Mitigation or Climate Change Adaptation (each as defined below) as determined by the Investment Adviser or are projected by the

Investment Adviser at the time of investment to generate 50% or more of revenues from such activities within a five year period; and

ii) the percentage of holdings that comply with the exclusions detailed below under "*What are the binding elements of the investment strategy used to select the investments to attain the sustainable investment objective*?".

For the purposes of i) above, the Investment Adviser considers activities related to"Climate Change Mitigation" to be those that contribute to the clean energy transition or lower carbon intensity activities, including without limitation, companies in the following sectors: clean energy (e.g., solar, wind biofuels); batteries and storage; electric grid; energy efficiency; and efficiency technology and materials. The Investment Adviser considers activities related to "Climate Change Adaptation" to be those that aid the world's ability to adapt to actual and expected climate change and its impacts, including without limitation, companies in the following sectors: agriculture (e.g., farming, timber, fish farming); water treatment, efficiency and recycling; and energy-efficient air conditioning.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

For the avoidance of doubt, the terms "Climate Change Mitigation" and "Climate Change Adaptation" referred to above are as defined under the proprietary framework adopted by the Investment Adviser. As noted below under " *To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy*?", the Fund does not currently intend to be aligned with the Taxonomy Regulation nor does the Investment Adviser currently collect Taxonomy-related data. Accordingly, 0% of the Fund's investments will be aligned with the environmental objectives under the Taxonomy Regulation.

How do sustainable investments not cause significant harm to any environmental or social sustainable investment objective?

The Investment Adviser shall ensure that the investments of the Fund do not significantly harm either the environmental or social objective set out in SFDR, as amended, taking into account the life cycle of products and services provided by the economic activities engaged in by the relevant companies, and the companies in which the Fund invests follow good governance practices, in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance.

How have the indicators for adverse impacts on sustainability factors been taken into account?

The Investment Adviser takes into account the indicators for adverse impacts in Table 1 of Annex I and any relevant indicators in Tables 2 and 3 of Annex I to the Regulatory Technical Standards on SFDR by applying a sub-set of those indicators at the stage of the initial investment in the relevant securities and on an ongoing basis depending on the nature of the investee company.

Such adverse impact indicators are addressed on an ongoing basis with investee companies through stewardship activities, including proxy voting, one-to-one engagement and collective engagement initiatives such as the Carbon Disclosure Project.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?

The Fund will not invest in companies which contravene the OECD Guidelines for Multinational Enterprises or the UN Guiding Principles on Business and Human Rights. The Investment Adviser uses data from third party providers to identify potential contraventions. In the event that there are differences between the third party data providers' views of an investee company's alignment with the OECD Guidelines for Multinational Enterprises or with the UN Guiding Principles on Business and Human Rights, or the Investment Adviser disagrees with the conclusions reached by one or more such third party data providers, the Investment Adviser will carry out its own assessment which may be informed by the third party data and its own internal research.

Does this financial product consider principal adverse impacts on sustainability factors?

☐ Yes

X No

The Manager, acting through the Investment Adviser as its delegate, does not consider the PAIs of its investment decisions on sustainability factors, within the meaning of Article 4(1)(a) of SFDR, for the time being. The Investment Adviser does not currently do so because, among other reasons, the Investment Adviser is not, in its view, currently in a position to obtain and/or measure all the data which it would be required by SFDR to report, or to do so systematically, consistently and at a reasonable cost with respect to all its investment strategies to investors. This is in part because underlying investments are not widely required to, and may not currently, report by reference to the same data. In addition, the European Commission has requested advice from the European Supervisory Authorities on (i) streamlining and developing further the regulatory framework; (ii) potentially extending the lists of universal indicators for PAIs; and (iii) refining the content of all the PAI indicators and their respective definitions, applicable methodologies, metrics, and presentation. The Investment Adviser's position on this matter will be reviewed as and when there is more regulatory certainty and at least annually.

What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The invested assets of the Fund are primarily comprised of investments in the types of companies that contribute to the Fund's sustainable investment objective. The remainder of the Fund's invested assets are invested for the purposes of cash management, hedging or other efficient portfolio management purposes which are in line with the Fund's sustainable investment objective.

In selecting securities for the Fund, the Investment Adviser uses a combination of the following investment methods to identify securities the Investment Adviser believes both have positive return potential and contribute to the Fund's sustainable investment objective. The Investment Adviser calculates the positive return potential and evaluates individual issuers or groups of issuers based on the ratio of their security price to historical financial information and forecasted financial information, such as profitability, cash flow and earnings, and compares these ratios to current and historical industry, market or company averages. The Investment Adviser may also focus on patterns of information, such as price movement or volatility of a security or groups of securities. The Fund may invest its assets in securities of issuers of any market capitalisation and may invest a significant portion of its assets in securities of issuers with smaller market capitalisation. The Fund has no limit on the amount it may invest in any single asset class, sector, country, or region. At times, the Fund may have substantial exposure to a single industry, asset class, sector, country or region.

For further information, please see the 'Investment Objectives and Policies of the Funds' section of the Prospectus.

- ***What are the binding elements of the investment strategy used to select the investments to attain the sustainable investment objective?***

The Investment Adviser seeks to identify companies whose businesses directly or indirectly contribute to efforts to curb or mitigate the long-term effects of global climate change, address the environmental challenges presented by global climate change, or improve the efficiency of resource consumption. It uses both fundamental and quantitative methods in constructing the Fund's portfolio. For investments selected primarily through fundamental methods, ESG factors are assessed in the course of a deep analysis of a potential investment's characteristics and integrated holistically into the Investment Adviser's decision-making process. Investments driven primarily through quantitative techniques rely more generally on the use of third-party standards, guidelines and metrics, data from issuers comprised in portfolios managed or advised by the Investment Adviser (including the Fund, other funds or accounts), company reports and publicly available information. Its quantitative analysis includes assessments of information at both industry and issuer levels.

Asset allocation describes the share of investments in specific assets.

The Investment Adviser will measure the attainment of its sustainable investment objective by using a framework that is based upon assessing the direct and indirect effect of the products and services of the underlying companies. All companies in the Fund's portfolio, other than remainder investments (i.e. assets which will be invested for the purposes of cash management, hedging or other efficient portfolio management purposes which are in line with the Fund's sustainable investment objective) are included because their products and/or services directly or indirectly contribute to the sustainable investment objective of the Fund. The Investment Adviser's assessment of such contribution considers the relationship between the product and/or service and the relevant aspects of climate change or resource consumption they relate to and the materiality of the contribution they make to the sustainable investment objective.

The Fund will measure contribution to the attainment of its sustainable investment objective by requiring that investee companies generate 50% or more of revenues from activities related to Climate Change Mitigation or Climate Change Adaptation as determined by the Investment Adviser or are projected by the Investment Adviser at the time of investment to generate 50% or more of revenues from such activities within a five year period.

The Investment Adviser excludes companies based on ESG criteria and discloses such companies on an exclusion list maintained on its website at www.gmo.com/ccs-exclusion-list.com. The exclusion list is informed by external lists, such as the Norges Bank List of Excluded Companies, along with other external and internal inputs. The exclusion list also contains companies that the Investment Adviser believes are directly complicit in violations of core international norms and conventions, as described in the United Nations Global Compact Principles.

The ESG-related exclusions referred to above apply at the time of acquisition of the relevant securities and in the event of any subsequent inadvertent holding of securities in breach of these principles or exclusions, the Investment Adviser shall dispose of any such securities as as soon as reasonably practicable having regard to the best interests of the Fund and its Shareholders.

What is the policy to assess good governance practices of the investee companies?

When considering an investment, the Investment Adviser will consider whether the underlying issuer meets good governance practices, in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance. Analysis is undertaken on the level of exposure of a particular issuer with regard to relevant risks associated with good governance and management's actions to manage such risks. Good governance standards include board balance, independence, transparency, disclosure and the protection of shareholder rights, and a review of whether the issuer has been the subject of serious or ongoing concerns about unsustainable business practices, such as human rights and labour standards abuses, corruption and abuse of minority shareholders. Investee companies are then monitored for on-going compliance with these standards. In the case where the Investment Adviser determines that an investee company is below standard, the Investment Adviser will consider both engagement and divestment.

Good governance practices include sound management structures, employee relations, remuneration of staff ad tax

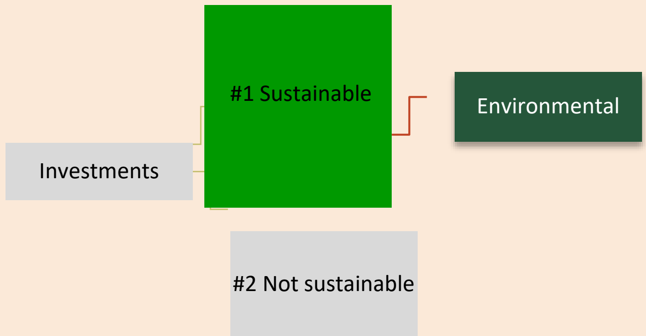
For more information on the Investment Adviser's good governance policy, refer to "*Where can I find more product specific information online*?" below.

What is the asset allocation and the minimum share of sustainable investments?

GMO intends that 100% of the Fund's direct and indirect investments, excluding cash on deposit and other ancillary liquid assets, will be used to meet the sustainable investment objective.

In addition, as noted above under "Does this financial product have a sustainable investment objective?", the Fund will have a minimum proportion of 90% of sustainable investments.

are environmentally sustainable investments that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



#1 Sustainable covers sustainable investments with environmental or social objectives.
#2 Not sustainable includes investments which do not qualify as sustainable investments.

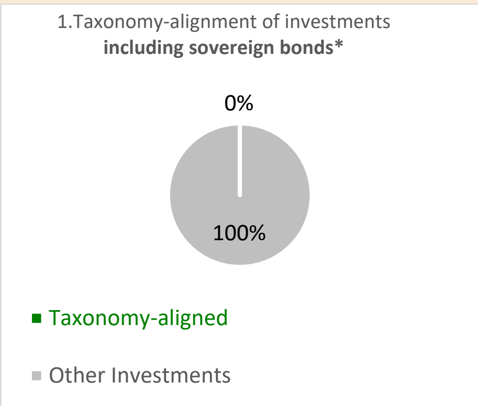
How does the use of derivatives attain the sustainable investment objective?

The Fund invests in equities for the purposes of pursuing the Fund's sustainable investment objective. As an alternative to investing directly in such equities, the Fund may use exchange-traded and OTC derivatives to gain indirect exposures to such equities.

reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



**For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available ad among others have greenhouse gas emission levels corresponding to the best performance.

What is the minimum share of investments in transitional and enabling activities?

N/A

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

100%.

The Fund does not commit to make investments that contribute to the environmental objectives identified in the Taxonomy Regulation. The Manager, acting through the Investment Adviser as its delegate, does not currently collect data as to whether: (i) the underlying investments of the Fund take into account the EU criteria for environmentally sustainable economic activities as defined in the Taxonomy Regulation; and (ii) the "do no significant harm" principle under the Taxonomy Regulation applies to those investments. In the European

Commission's responses to questions from the European Supervisory Authorities in respect of SFDR (the "EC Q&A") published on 25 May 2022, the European Commission advised that where a financial market participant (such as the Manager) fails to collect data on the environmental objectives set out in the Taxonomy Regulation and on how and to what extent the investments underlying a financial product (such as a Fund) are in economic activities that qualify as environmentally sustainable under the Taxonomy Regulation, the pre-contractual disclosures under SFDR for that financial product must indicate zero. The Fund does not currently intend to be aligned with the Taxonomy Regulation nor does the Investment Adviser currently collect the Taxonomy-related data referred to above. Accordingly, as required by the EC Q&A, 0% of the Fund's investments will be aligned with the environmental objectives under the Taxonomy Regulation. The Investment Adviser will keep the Fund's position vis-à-vis the Taxonomy Regulation under consideration and, to the extent required, the Prospectus will be amended accordingly.

Investments that are not aligned with the Taxonomy Regulation are not by implication environmentally harmful or unsustainable. In addition, not all economic activities are covered by the Taxonomy Regulation as it was not possible to develop criteria for all sectors where activities could conceivably make a substantial contribution.

What is the minimum share of sustainable investments with a social objective?

0%

What investments are included under "#2 Not sustainable", what is their purpose and are there any minimum environmental or social safeguards?

"Other" in this context includes only cash on deposit and other ancillary liquid assets for which there are no minimum environmental or social safeguards.

Is a specific index designated as a reference benchmark to meet the sustainable investment objective?

A reference benchmark is not used for the purposes of attaining the sustainable investment objective.

- ***How does the reference benchmark take into account sustainability factors in a way that is continuously aligned with the sustainable investment objective?***
  N/A
- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***
  N/A
- ***How does the designated index differ from a relevant broad market index*?**
  N/A
- ***Where can the methodology used for the calculation of the designated index be found?***
  N/A

Where can I find more product specific information online?

More product-specific information can be found on the website:

GMO - SFDR framework

Reference benchmarks are indexes to measure whether the financial product attains the sustainable investment objective.

ANNEX II

Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: GMO Global Real Return (UCITS) Fund
Legal entity identifier: 5493005TY5JKCY6BE120

Environmental and/or social characteristics

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?	
☐ **Yes**	☒ **No**
☐ It will make a minimum of **sustainable investments with an environmental objective:** ___% ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy ☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy ☐ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective:** ___%	☒ It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

The Investment Manager seeks to promote environmental or social characteristics by applying a number of exclusions from its investment universe. The Fund will not invest in: (i) companies that the Investment Manager believes are directly complicit in violations of core international norms and conventions, as described in the United Nations Global Compact Principles; (ii) sectors of the economy that the Investment Manager determines are environmentally or socially detrimental, such as coal, tar sands, tobacco, and munitions; (iii) countries or jurisdictions that have been removed from the MSCI ACWI + Frontier Markets Index; and (iv) companies included on certain third-party exclusion lists which may change from time to time. Notwithstanding the restriction in (iii) above, the Fund may invest in companies which do not form part of the MSCI ACWI + Frontier Markets Index, provided always that such companies have not previously been removed from the index. A current list of applicable exclusion lists is maintained on the Investment Manager's website at www.gmo.com/europe/grruf-exclusion-list/.

A reference benchmark is not used for the purposes of attaining the environmental characteristics promoted by the Fund.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

As set out above, the Investment Manager seeks to promote environmental or social characteristics by applying a number of exclusions from its investment universe. The Fund will not invest in:

(v) companies that the Investment Manager believes are directly complicit in violations of core international norms and conventions, as described in the United Nations Global Compact Principles;

(vi) sectors of the economy that the Investment Manager determines are environmentally or socially detrimental, such as coal, tar sands, tobacco, and munitions;

(vii) countries or jurisdictions that have been removed from the MSCI ACWI + Frontier Markets Index; and

(viii) companies included on certain third-party exclusion lists which may change from time to time.

Notwithstanding the restriction in (iii) above, the Fund may invest in companies which do not form part of the MSCI ACWI + Frontier Markets Index, provided always that such companies have not previously been removed from the index. A current list of applicable exclusion lists is maintained on the Investment Manager's website at www.gmo.com/europe/grruf-exclusion-list/.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

N/A. The Fund does not commit to making sustainable investments.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

N/A. The Fund does not commit to making sustainable investments.

How have the indicators for adverse impacts on sustainability factors been taken into account?

N/A.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

N/A.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

Does this financial product consider principal adverse impacts on sustainability factors?

- [ ] Yes, ______
- [X] No. The Manager, acting through the Investment Manager as its delegate, does not consider the PAIs of its investment decisions on sustainability factors, within the meaning of Article 4(1)(a) of SFDR, for the time being. The Investment Manager does not currently do so because, among other reasons, the Investment Manager is not, in its view, currently in a position to obtain and/or measure all the data which it would be required by SFDR to report, or to do so systematically, consistently and at a reasonable cost with respect to all its investment strategies to investors. This is in part because underlying investments are not widely required to, and may not currently, report by reference to the same data. In addition, the European Commission has requested advice from the European Supervisory Authorities on (i) streamlining and developing further the regulatory framework; (ii) potentially extending the lists of universal indicators for PAIs; and (iii) refining the content of all the PAI indicators and their respective definitions, applicable methodologies, metrics, and presentation. The Investment Manager's position on this matter will be reviewed as and when there is more regulatory certainty and at least annually.

What investment strategy does this financial product follow?

The Investment Manager seeks to achieve the Fund's investment objective by investing in asset classes it believes offer the most attractive return and risk opportunities. The Investment Manager uses its quantitative multi-year forecasts of returns among asset classes, together with its assessment of the relative risks of such asset classes, to determine the Fund's allocations to various asset classes. An important component of those forecasts is the Investment Manager's expectation that valuations ultimately revert to their fundamental fair (or intrinsic) value. Each asset class forecast incorporates the Investment Manager's proprietary ESG scores, calculated using a proprietary bottom-up process. Such ESG scores reflect the Investment Manager's assessment of how ESG events or conditions could cause a material impact on the performance of the relevant asset class. The forecasts of the asset classes and, consequently, the Fund's relative allocations among asset classes is impacted by the ESG scores. Everything else being equal, asset classes scoring poorly on ESG will be allocated less than they would have if their ESG scores were favourable. The Investment Manager changes the Fund's allocations to underlying asset classes and strategies in response to changes in its multi-year forecasts of returns among assets classes, its assessment of the relative risks of such asset classes and market valuations. The factors the Investment Manager considers and investment methods it uses can change over time. The Investment Manager does not manage the Fund to, or control the Fund's risk relative to, any securities index or securities benchmark.

For further information, please see the 'Investment Objectives and Policies of the Funds' section of the Prospectus.

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

- ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The Investment Manager applies a number of exclusions from its investment universe in order to attain the environmental and social characteristics promoted by the Fund. As such, the Fund will not invest in: (i) companies that the Investment Manager believes are directly complicit in violations of core international norms and conventions, as described in the United Nations Global Compact Principles; (ii) sectors of the economy that the Investment Manager determines are environmentally or socially detrimental, such as coal, tar sands, tobacco, and munitions; (iii) countries or jurisdictions that have been removed from the MSCI ACWI + Frontier Markets Index; and (iv) companies included on certain third-party exclusion lists which may change from time to time. Notwithstanding the restriction in (iii) above, the Fund may invest in companies which do not form part of the MSCI ACWI + Frontier Markets Index, provided always that such companies have not previously been removed from the index. Notwithstanding the restriction in (iii) above, the Fund may invest in companies which do not form part of the MSCI ACWI + Frontier Markets Index, provided always that such companies have not previously been removed from the index. A current list of applicable exclusion lists is maintained on the Investment Manager's website at www.gmo.com/europe/grruf-exclusion-list/.

The ESG-related exclusions referred to above apply at the time of acquisition of the relevant securities and in the event of any subsequent inadvertent holding of securities in breach of these principles or exclusions, the Investment Manager shall dispose of any such securities as soon as reasonably practicable having regard to the best interests of the Fund and its Shareholders.

- ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

N/A. There is no committed minimum rate to reduce the scope of the investments considered prior to the application of the investment strategy.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

- ***What is the policy to assess good governance practices of the investee companies?***

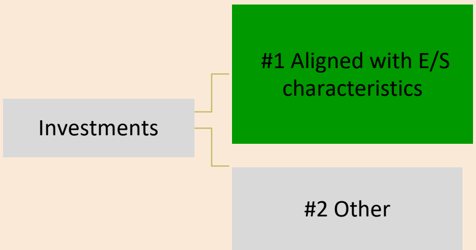
When considering an investment within its fundamental strategies, the Investment Manager will consider whether the underlying issuer meets good governance practices, in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance. Analysis is undertaken on the level of exposure of a particular issuer with regard to relevant risks associated with good governance and, critically, management's actions to manage such risks. Good governance standards include board balance, independence, transparency, disclosure and the protection of shareholder rights, and a review of whether the issuer has been the subject of serious or ongoing concerns about unsustainable business practices, such as human rights and labour standards abuses, corruption and abuse of minority shareholders. When considering an investment within its quantitative strategies, the Investment Manager will consider whether the issuer meets its minimum threshold for good governance practices, which incorporate quantitative assessment metrics of a company's management, audit and internal controls, employee relations, compensation practices, and tax and regulatory compliance. Investee companies are then monitored for on-going compliance with these standards. In the case where an investee company demonstrates sustained scores below the minimum investment threshold, the Investment Manager will consider both engagement and divestment.

For more information on the Investment Manager's good governance policy, refer to "*Where can I find more product specific information online*?" below.

What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

GMO intends that 100% of the Fund's direct and indirect investments, excluding cash on deposit, will be aligned with the environmental and social characteristics described above.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.
#2Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

***How does the use of derivatives attain the environmental or social characteristics promoted by the financial product*?**

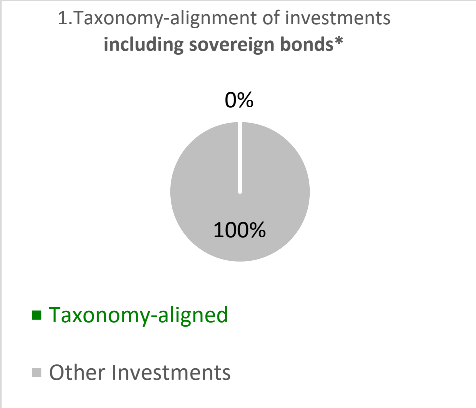
The Fund invests across a range of asset classes in a manner consistent with the environmental and social characteristics promoted by the Fund. As an alternative to investing directly, the Fund may use exchange-traded and OTC derivatives to gain indirect exposures to such assets.

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The Fund does not commit to make investments that contribute to the environmental objectives identified in the Taxonomy Regulation. The Manager, acting through the Investment Manager as its delegate, does not currently collect data as to whether: (i) the underlying investments of the Fund take into account the EU criteria for environmentally sustainable economic activities as defined in the Taxonomy Regulation; and (ii) the "do no significant harm" principle under the Taxonomy Regulation applies to those investments. In the European Commission's responses to questions from the European Supervisory Authorities in respect of SFDR (the "EC Q&A") published on 25 May 2022, the European Commission advised that where a financial market participant (such as the Manager) fails to collect data on the environmental objectives set out in the Taxonomy Regulation and on how and to what extent the investments underlying a financial product (such as the Fund) are in economic activities that qualify as environmentally sustainable under the Taxonomy Regulation, the pre-contractual disclosures under SFDR for that financial product must indicate zero. The Fund does not currently intend to be aligned with the Taxonomy Regulation nor does the Investment Manager, currently collect the Taxonomy-related data referred to above. Accordingly, as required by the EC Q&A, 0% of each Fund's investments will be aligned with the environmental objectives under the Taxonomy Regulation. The

Investment Manager will keep the Fund's position vis-à-vis the Taxonomy Regulation under consideration and, to the extent required, the Prospectus will be amended accordingly.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



* *For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

What is the minimum share of investments in transitional and enabling activities?

N/A

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

N/A. The Fund does not commit to making sustainable investments within the meaning of Article 2(17) of SFDR.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

What is the minimum share of socially sustainable investments?

N/A. The Fund does not commit to making sustainable investments within the meaning of Article 2(17) of SFDR.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

"Other" in this context includes only cash held on deposit for which there are no minimum environmental or social safeguards.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

A reference benchmark is not designated for the purposes of attaining the environmental and social characteristics promoted by the Fund.

However, see above under "*What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?*", for the application of the MSCI ACWI + Frontier Markets Index to the exclusions applied by the Investment Manager.

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?

N/A

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  N/A

- ***How does the designated index differ from a relevant broad market index?***

  N/A

- ***Where can the methodology used for the calculation of the designated index be found?***

  N/A

Where can I find more product specific information online?

More product-specific information can be found on the website:

GMO - SFDR framework

ANNEX II

Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product name: GMO Emerging Markets Ex-China Equity Fund
Legal entity identifier: 549300MG0KJ5F5YSIO15

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

☐ **Yes**	☒ **No**
☐ It will make a minimum of **sustainable investments with an environmental objective:** ___%	☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective:** ___%	☒ It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

The Fund aims to achieve a portfolio-level carbon intensity that is below the level of that of its benchmark, the MSCI Emerging Markets ex-China Index (the "Benchmark"). In this context, a company's carbon intensity is equal to its carbon dioxide emissions (in tonnes) per million dollars of sales.

The Fund has had and is expected to continue to have a value bias relative to the Benchmark. As a result, it has historically tended to have overweight positions in sectors (e.g., Energy and Materials) which have had higher carbon intensity levels than other sectors. Consequently, the Investment Adviser believes that using the Benchmark for its carbon intensity goal is a more significant undertaking than using a more value-oriented index that matches the sectors favoured by the Fund.

A reference benchmark has not been designated for the purpose of attaining the environmental characteristics of the Fund.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

- ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

The sustainability indicator used to measure the attainment of the environmental or social characteristics promoted by the Fund is a measure of the carbon intensity of the Fund against that of the Benchmark.

Details of how this measurement is calculated are below under "What are the binding elements of the investment strategy used to select the investments to attain the sustainable investment objective?".

- ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

N/A. The Fund does not commit to making sustainable investments.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

- ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

N/A. The Fund does not commit to making sustainable investments.

How have the indicators for adverse impacts on sustainability factors been taken into account?

N/A.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

N/A.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investmentsshould not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.
The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.
Any other sustainable investments must also not significantly harm any environmental or social objectives.

Does this financial product consider principal adverse impacts on sustainability factors?

☐ Yes, ______

X No The Manager, acting through the Investment Adviser as its delegate, does not consider the PAIs of its investment decisions on sustainability factors, within the meaning of Article 4(1)(a) of SFDR, for the time being. The Investment Adviser does not currently do so because, among other reasons, the Investmetn Adviser is not, in its view, currently in a position to obtain and/or measure all the data which it would be required by SFDR to report, or to do so systematically, consistently and at a reasonable cost with respect to all its investment strategies to investors. This is in part because underlying investments are not widely required to, and may not currently, report by reference to the same data. In addition, the European Commission has requested advice from the European Supervisory Authorities on (i) streamlining and developing further the regulatory framework; (ii) potentially extending the lists of universal indicators for PAIs; and (iii) refining the content of all the PAI indicators and their respective definitions, applicable methodologies, metrics, and presentation. The Investment Adviser's position on this matter will be reviewed as and when there is more regulatory certainty and at least annually.

What investment strategy does this financial product follow?

The Fund will aim to achieve a return in excess of its Benchmark through investing in equity securities listed or traded on Regulated Markets of Emerging Market Countries in Asia (excluding China), Latin America, the Middle East, Africa and Europe or equity securities listed or traded on Regulated Markets of issuers that, at the time of purchase, are organised under the laws of an Emerging Market Country (excluding China) or maintain their principal place of business in an Emerging Market Country (excluding China) or derive significant revenues or profits from goods produced or sold, investments made, or services performed in Emerging Market Countries (excluding China), or have substantial assets in Emerging Market Countries (excluding China). In addition, the Fund may invest in companies that the Investment Adviser believes are likely to benefit from growth in the Emerging Market Countries. The Investment Adviser expects that the Fund will have a value bias relative to its Benchmark.

The Investment Adviser uses proprietary quantitative techniques and fundamental analytical techniques to evaluate and select countries, sectors, and equity investments based on factors including, but not limited to, valuation, quality, patterns of price movement and volatility, and macroeconomic factors. In constructing the Fund's portfolio, the Investment Adviser considers the trade-off among forecasted returns, risk relative to the Benchmark, transaction costs, and liquidity. The Investment Adviser may also adjust the Fund's portfolio for the following factors: position size, market capitalisation, and exposure to particular industries, sectors, countries, regions, or currencies. It is not proposed to concentrate investments in any one industry or geographic sector, however, at times, the Fund may have substantial exposure to a single asset class, industry, sector, country, region, issuer, or currency or companies with similar market capitalisations. The Fund may invest in securities of companies of any market capitalisation.

The Investment Adviser has integrated sustainability risks, as a sub-set of risks generally that could cause an actual or potential material negative impact on the value of an investment, as part of its investment decision-making process for the Fund. If the Investment Adviser determines that sustainability risks could cause such a material negative impact, the Investment Adviser may conduct sustainability risk-related due diligence and/or take steps to mitigate sustainability risks and preserve the value of the investment. The Investment Adviser is committed to continuously improving its understanding of how the integration of ESG factors can improve the Fund's investment results and seeks to focus on ESG considerations which can improve the Fund's risk-adjusted return potential.

The Fund incorporates ESG at both the country and issuer levels. The Investment Adviser's assessment of the macro quality of a country includes signals used to identify the vulnerability of a country from an ESG perspective. The proprietary assessment framework sources a variety of ESG preparedness and performance signals across six categories: natural resources, climate change, standard of living, social empowerment, political governance and economic governance. At the issuer level, among the signals used in the Fund's stock quality model are ones that evaluate a company from an ESG perspective. To determine the materiality of an ESG issue for a company, the Investment Adviser looks at the type of business lines in which a company operates, its geographical footprint, the severity of the financial impact that the ESG issue itself may cause if not sufficiently managed, as well as the likelihood of and the time horizon over which, the financial impact is expected to occur. These issues cover areas such as product carbon emissions, packaging material and waste, privacy and data security, supply chain labour standards, ownership and control, and business ethics. The ESG scores of companies can materially impact the size of the investment in them.

For further information, please see the 'Investment Objectives and Policies of the Funds' section of the Prospectus.

- ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The Fund aims to achieve a portfolio-level carbon intensity that is below the level of that of the Benchmark.

To measure the carbon intensity of the Fund against that of the Benchmark, the Investment Adviser uses a metric applied to each company based on the ratio of a company's carbon dioxide emissions (in tonnes) per million dollars of sales. The carbon intensity metric uses a company's most recently reported or estimated greenhouse gas emissions normalised by sales, which allows for comparison between companies of different sizes. The carbon intensity of each of the Fund's portfolio and the Benchmark is a weighted average of the carbon intensities of the underlying companies. Although there is not data coverage for all companies, there is typically coverage for more than 90 per cent. of the companies owned by the Fund and the weighted average of the covered companies is used to extrapolate the Fund's overall carbon intensity number. The Benchmark is not constructed specifically to incorporate ESG considerations. Further details on the methodology used for the calculation of the Benchmark can be found at: https://www.msci.com.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

In the event that the portfolio-level carbon intensity of the Fund reaches or exceeds that of the Benchmark, the Investment Adviser shall adjust the composition of the portfolio of the Fund to bring the portfolio-level carbon intensity of the Fund below that of the Benchmark as soon as reasonably practicable having regard to the best interests of the Fund and its Shareholders.

- ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

N/A. There is no committed minimum rate to reduce the scope of the investments considered prior to the application of the investment strategy.

- ***What is the policy to assess good governance practices of the investee companies?***

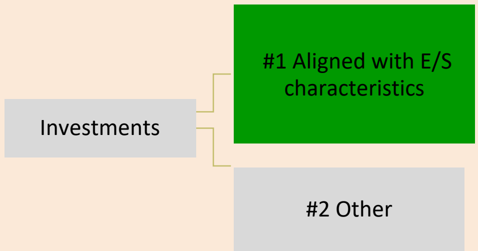
When considering an investment, the Investment Adviser will consider whether the issuer meets its minimum threshold for good governance practices, which incorporate quantitative assessment metrics of a company's management, audit and internal controls, employee relations, compensation practices, and tax and regulatory compliance. Investee companies are then monitored for on-going compliance with these standards. In the case where an investee company demonstrates sustained scores below the minimum investment threshold, the Investment Adviser will consider both engagement and divestment.

For more information on the Investment Adviser's good governance policy, refer to "*Where can I find more product specific information online*?" below.

What is the asset allocation planned for this financial product?

GMO intends that 100% of the Fund's direct and indirect investments, excluding cash and other ancillary liquid assets and derivatives used for hedging purposes, will be aligned with the environmental and social characteristics described above.

Asset allocation describes the share of investments in specific assets.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.
#2Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

***How does the use of derivatives attain the environmental or social characteristics promoted by the financial product*?**

The Fund invests in equities in a manner consistent with the environmental characteristics promoted by the Fund. As an alternative to investing directly in such equities, the Fund may use derivatives to gain indirect exposures to such equities.

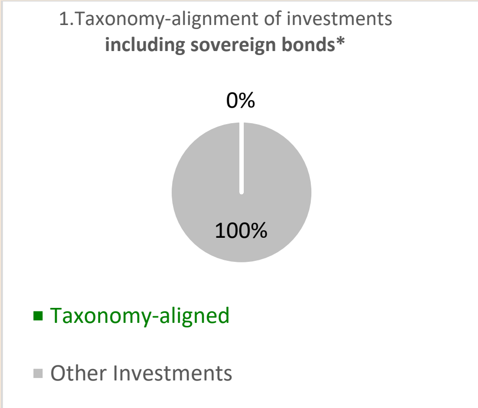
To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

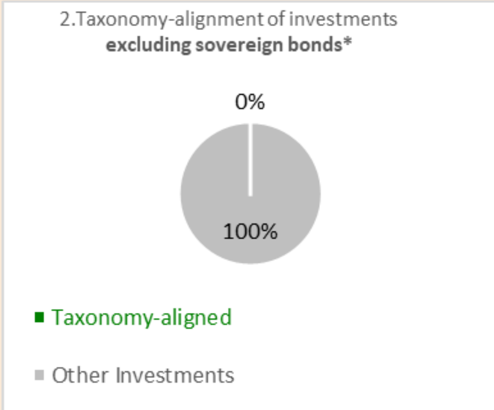
The Fund does not commit to make investments that contribute to the environmental objectives identified in the Taxonomy Regulation. The Manager, acting through the Investment Adviser as its delegate, does not currently collect data as to whether: (i) the underlying investments of the Fund take into account the EU criteria for environmentally sustainable economic activities as defined in the Taxonomy Regulation; and (ii) the "do no significant harm" principle under the Taxonomy Regulation applies to those investments. In the European Commission's responses to questions from the European Supervisory Authorities in respect of SFDR (the "EC Q&A") published on 25 May 2022, the European Commission advised that where a financial market participant (such as the Manager) fails to collect data on the environmental objectives set out in the Taxonomy Regulation and on how and to what extent the investments underlying a financial product (such as the Fund) are in economic activities that qualify as environmentally sustainable under the Taxonomy Regulation, the pre-contractual disclosures under SFDR for that financial product must indicate zero. The Fund does not currently intend to be aligned with the Taxonomy Regulation nor does the Investment Adviser currently collect the Taxonomy-related data referred to above. Accordingly, as required by the EC Q&A, 0 per cent. of each Fund's investments will be aligned with the environmental objectives under the Taxonomy Regulation. The Investment Adviser will keep the Fund's position vis-à-vis the Taxonomy Regulation under consideration and, to the extent required, the Prospectus will be amended accordingly.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.





* *For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

What is the minimum share of investments in transitional and enabling activities?

N/A.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

N/A. The Fund does not commit to making sustainable investments within the meaning of Article 2(17) of SFDR.

What is the minimum share of socially sustainable investments?

N/A. The Fund does not commit to making sustainable investments within the meaning of Article 2(17) of SFDR.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

"Other" in this context includes cash and other ancillary liquid assets, and derivatives used for hedging purposes, for which there are no minimum environmental or social safeguards.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

A reference benchmark is not used for the purposes of attaining the environmental characteristics promoted by the Fund.

However, see above under "*What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?*", for the relevance of the Benchmark to the investment selection process applied by the Investment Adviser.

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

  N/A

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

N/A

- ***How does the designated index differ from a relevant broad market index?***

  N/A

- ***Where can the methodology used for the calculation of the designated index be found?***

  N/A

Where can I find more product specific information online?

More product-specific information can be found on the website:

GMO - SFDR framework

ANNEX II

Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product name: GMO Quality Select Investment Fund
Legal entity identifier: 5493000KHPWEGDFN0B39

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

☐ **Yes**	X **No**
☐ It will make a minimum of **sustainable investments with an environmental objective:** ___%	☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective:** ___%	X It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

The Investment Adviser excludes from the investment universe of the Fund: (i) companies that appear on Norges Bank's exclusion list https://www.nbim.no/en/responsible-investment/exclusion-of-companies/; and (ii) companies determined by the Investment Adviser to be in the following industries: fossil fuels, tobacco, alcohol, gambling, adult entertainment, and controversial munitions. The Investment Adviser's methodology for determining industry classifications is available at https://www.gmo.com/europe/IDM/ and may change from time to time.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

The Fund will be managed to maintain a portfolio-level carbon footprint that is below the level of that of the MSCI World Index (the "Index").[6] In the event that the carbon footprint of the Fund exceeds at any given time the carbon footprint of the Index for reasons beyond the control of the Investment Adviser, the Investment Adviser shall adopt as a priority objective the remedying of that situation, taking due account of the interests of Shareholders.

A reference benchmark has not been designated for the purpose of attaining the environmental characteristics of the Fund.

- ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

  The sustainability indicators used to measure the attainment of the environmental or social characteristics promoted by the Fund are:

  i) a measure of the carbon footprint of the Fund against that of the Index. (Details of how this measurement is calculated are above under "*What environmental and or social characteristics are promoted by this financial product*?" and below under *"What are the binding elements of the investment strategy used to select the investments to attain the sustainable investment objective?"); and*

  ii) the percentage of holdings that comply with the exclusions detailed immediately above under "*What environmental and/or social characteristics are promoted by this financial product*?" and below under "*What are the binding elements of the investment strategy used to select the investments to attain the sustainable investment objective*?".

- ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

  N/A. The Fund does not commit to making sustainable investments.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

- ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

  N/A. The Fund does not commit to making sustainable investments.

  How have the indicators for adverse impacts on sustainability factors been taken into account?

  N/A.

  How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

  N/A.

[6] Carbon footprint is measured in accordance with Annex I to the SFDR Level 2 Regulation save for the exclusion of scope 3 GHG emissions as a consequence of insufficient data coverage.

The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

Does this financial product consider principal adverse impacts on sustainability factors?

☐ Yes, ______

X No

The Manager, acting through the Investment Adviser as its delegate, does not consider the PAIs of its investment decisions on sustainability factors, within the meaning of Article 4(1)(a) of SFDR, for the time being. The Investment Adviser does not currently do so because, among other reasons, the Investment Adviser is not, in its view, currently in a position to obtain and/or measure all the data which it would be required by SFDR to report, or to do so systematically, consistently and at a reasonable cost with respect to all its investment strategies to investors. This is in part because underlying investments are not widely required to, and may not currently, report by reference to the same data. In addition, the European Commission has requested advice from the European Supervisory Authorities on (i) streamlining and developing further the regulatory framework; (ii) potentially extending the lists of universal indicators for PAIs; and (iii) refining the content of all the PAI indicators and their respective definitions, applicable methodologies, metrics, and presentation. The Investment Adviser’s position on this matter will be reviewed as and when there is more regulatory certainty and at least annually.

What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The Fund seeks total return by investing in equities and equity-related securities of companies the Investment Adviser believes to be of high quality. A high quality company is generally one that the Investment Adviser believes has an established business that will deliver a high level of return on past investments and that will utilise cash flows in the future by making investments with potential for high levels of return on capital or by returning cash to shareholders through dividends, share buybacks, or other mechanisms.

In selecting securities for the Fund, the Investment Adviser uses a combination of investment methods, typically considering both systematic factors, based on profitability, profit stability, leverage, and other publicly available financial information, and judgmental factors, based on an assessment of future profitability, capital allocation, sustainability against competitive forces, and growth opportunities. The Investment Adviser may also rely on valuation methodologies, such as discounted cash flow analysis and multiples of price to earnings, revenues, book value or other fundamental metrics. Security selection is subject to the portfolio-level carbon footprint constraint and exclusions described herein. Separately, the Investment Adviser may consider ESG (environmental, social and governance) criteria insofar as they relate to valuation considerations, as well as trading patterns, such as price movement or volatility of a security or groups of securities.

The Fund may make security investments in companies the stocks of which are listed or traded on Regulated Markets anywhere in the world. At times, the Fund may have substantial exposure to a single asset class, industry, country, region, currency or issuer. The Fund may invest in securities of companies of any market capitalisation. The factors the Investment Adviser considers and investment methods it uses can change over time. The Investment Adviser does not manage the Fund to, or control the Fund's risk relative to, any securities index or securities benchmark.

For further information, please see the 'Investment Objectives and Policies of the Funds' section of the Prospectus.

- ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The Fund will be managed to maintain a portfolio-level carbon footprint that is below the level of that of the Index.[7] In the event that the carbon footprint of the Fund exceeds at any given time the carbon footprint of the Index for reasons beyond the control of the Investment Adviser, the Investment Adviser shall adopt as a priority objective the remedying of that situation, taking due account of the interests of Shareholders.

In addition, the Investment Adviser excludes from the investment universe of the Fund: (i) companies that appear on Norges Bank's exclusion list https://www.nbim.no/en/responsible-investment/exclusion-of-companies/; and (ii) companies determined by the Investment Adviser to be in the following industries: fossil fuels, tobacco, alcohol, gambling, adult entertainment, and controversial munitions. The Investment Adviser's methodology for determining industry classifications is available at https://www.gmo.com/europe/IDM and may change from time to time.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

- ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

N/A. There is no committed minimum rate to reduce the scope of the investments considered prior to the application of the investment strategy.

- ***What is the policy to assess good governance practices of the investee companies?***

When considering an investment within its fundamental strategies, the Investment Adviser will consider whether the underlying issuer meets good governance practices, in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance. Analysis is undertaken on the level of exposure of a particular issuer with regard to relevant risks associated with good governance and, critically, management's actions to manage such risks. Good governance standards include board balance, independence, transparency, disclosure and the protection of shareholder rights, and a review of whether the issuer has been the subject of serious or ongoing concerns about unsustainable business practices, such as human rights and labour standards abuses, corruption and abuse of minority shareholders.

For more information on the Investment Adviser's good governance policy, refer to "*Where can I find more product specific information online*?" below.

[7] Carbon footprint is measured in accordance with Annex I to the SFDR Level 2 Regulation save for the exclusion of scope 3 GHG emissions as a consequence of insufficient data coverage.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

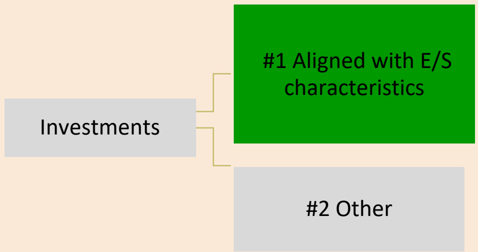
Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

What is the asset allocation planned for this financial product?

GMO intends that 100% of the Fund's direct and indirect investments, excluding cash and other ancillary liquid assets and derivatives used for hedging purposes, will be aligned with the environmental and social characteristics described above.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

***How does the use of derivatives attain the environmental or social characteristics promoted by the financial product*?**

The Fund invests in equities in a manner consistent with the environmental characteristics promoted by the Fund. As an alternative to investing directly in such equities, the Fund may use derivatives to gain indirect exposures to such equities.

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The Fund does not commit to make investments that contribute to the environmental objectives identified in the Taxonomy Regulation. The Manager, acting through the Investment Adviser as its delegate, does not currently collect data as to whether: (i) the underlying investments of the Fund take into account the EU criteria for environmentally sustainable economic activities as defined in the Taxonomy Regulation; and (ii) the "do no significant harm" principle under the Taxonomy Regulation applies to those investments. In the European Commission's responses to questions from the European Supervisory Authorities in respect of SFDR (the "EC Q&A") published on 25 May 2022, the European Commission advised that where a financial market participant (such as the Manager) fails to collect data on the environmental objectives set out in the Taxonomy Regulation and on how and to what extent the investments underlying a financial product (such as the Fund) are in economic activities that qualify as environmentally sustainable under the Taxonomy Regulation, the pre-contractual disclosures under SFDR for that financial product must indicate zero. The Fund does not currently intend to be aligned with the Taxonomy Regulation nor does the Investment Adviser currently collect the Taxonomy-related data referred to above. Accordingly, as required by the EC Q&A, 0 per cent. Of each Fund's investments will be aligned with the environmental objectives under the Taxonomy Regulation. The Investment Adviser will keep the Fund's position vis-à-vis the Taxonomy Regulation under consideration and, to the extent required, the Prospectus will be amended accordingly.

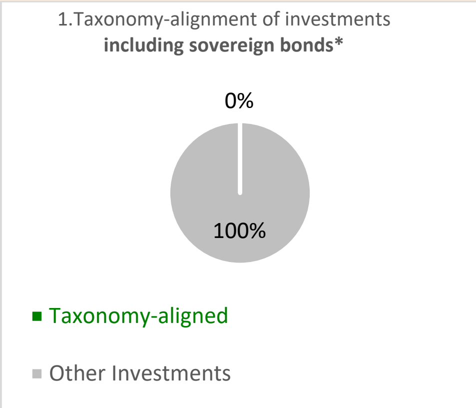
Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy?

☐ Yes ______

☐ In fossil gas ☐ In nuclear energy

☒ No

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



* ***For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures***

What is the minimum share of investments in transitional and enabling activities?

N/A.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

N/A. The Fund does not commit to making sustainable investments within the meaning of Article 2(17) of SFDR.

What is the minimum share of socially sustainable investments?

N/A. The Fund does not commit to making sustainable investments within the meaning of Article 2(17) of SFDR.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

"Other" in this context includes cash and other ancillary liquid assets, and derivatives used for hedging purposes, for which there are no minimum environmental or social safeguards.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

A reference benchmark is not used for the purposes of attaining the environmental characteristics promoted by the Fund.

However, see above under "*What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?*", for the relevance of the Index to the investment selection process applied by the Investment Adviser.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

  N/A

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  N/A

- ***How does the designated index differ from a relevant broad market index?***

  N/A

- ***Where can the methodology used for the calculation of the designated index be found?***

  N/A

Where can I find more product specific information online?

More product-specific information can be found on the website:

GMO – SFDR framework

ANNEX II

Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product name: GMO Horizons Investment Fund

Legal entity identifier: 2549004P0OL47EIGQJ05

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?	
☐ **Yes**	☒ **No**
☐ It will make a minimum of **sustainable investments with an environmental objective:** ___%	☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy ☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy ☐ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective:** ___%	☒ It promotes E/S characteristics, **but will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

The Fund will favour companies that generate “green revenue.” Green revenue refers to revenue associated with environmentally positive business activities including, without limitation:

- water management, treatment, and delivery;
- waste and pollution management;
- efficient transportation;
- sustainable agriculture and food production;
- renewable or alternative sources of energy, and improved energy efficiency; and
- efficient use of natural resources and reduction of environmental impacts.

The metrics used to monitor green revenue will be sourced from third-party data sets providing such information. The Investment Adviser believes that, under current market conditions, the Fund's weighted average green revenue would typically be at or around three times that of the MSCI ACWI. The Fund is committed to maintaining a weighted average green revenue across its portfolio of at least 20%. In the event that the weighted average green revenue of the Fund at any given time is below 20%, the Investment Adviser shall adopt as a priority objective the remedying of that situation, taking due account of the interests of Shareholders.

In addition to the green revenue undertaking, the Investment Adviser will monitor the carbon footprint of its portfolio using a combination of third-party and proprietary metrics. Greenhouse gas ("GHG") emissions can be classified as direct emissions (generated from sources that are controlled by the company that issues the underlying assets) and indirect emissions (generated in the value chain of the reporting company). Companies and data vendors typically estimate and report direct emissions as scope 1 emissions and indirect emissions as scope 2 and scope 3 emissions. Inputs regarding direct emissions will be sourced as scope 1 emissions from one or more third-party sources. For indirect emissions, the Investment Adviser has developed a proprietary indirect GHG emissions metric because it believes that, particularly with respect to scope 3 emissions, existing data providers use inconsistent estimation methodologies that are not comparable across companies. The Fund is committed to maintaining its total (scope 1 + indirect emissions) carbon footprint at or below 50% of the carbon footprint of the MSCI ACWI. In the event that the carbon footprint of the Fund exceeds at any given time 50% of the carbon footprint of the MSCI ACWI, the Investment Adviser shall adopt as a priority objective the remedying of that situation, taking due account of the interests of Shareholders.

The Investment Adviser excludes from the investment universe of the Fund: (i) companies that the Investment Adviser determines to be associated with one or more major environmental controversies, a list of which is maintained at https://www.gmo.com/horizons-environmental-controversies/; (ii) companies included on certain third-party exclusion lists which may change from time to time; and (iii) sectors of the economy that the Investment Adviser determines are environmentally or socially detrimental, such as coal, tar sands, tobacco, and controversial munitions. A current list of the applicable exclusion lists referred to in clause (ii) above is maintained on the Investment Adviser's website at www.gmo.com/europe/horizons-exclusion-list/. In the event that a company held by the Fund falls into one of the excluded categories above at a time after purchase, the Investment Adviser shall adopt as a priority objective the disposal of its holding in such company, taking due account of the interests of Shareholders.

A reference benchmark has not been designated for the purpose of attaining the environmental characteristics of the Fund.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

- ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

The sustainability indicators used to measure the attainment of the environmental or social characteristics promoted by the Fund are:

i) a measure of the weighted average green revenue of the Fund against that of the MSCI ACWI. (Details of how this measurement is calculated are above under "*What environmental and or social characteristics are promoted by this financial product*?" and below under *"What are the binding elements of the* *investment strategy used to select the investments to attain the sustainable investment objective?");*

ii) a measure of the carbon footprint[8] of the Fund against that of the Index. (Details of how this measurement is calculated are above under "*What environmental and or social characteristics are promoted by this financial product*?" and below under *"What are the binding elements of the investment strategy used to select the investments to attain the sustainable investment objective?"); and*

iii) the percentage of holdings that comply with the exclusions detailed immediately above under "*What environmental and/or social characteristics are promoted by this financial product*?" and below under "*What are the binding elements of the investment strategy used to select the investments to attain the sustainable investment objective*?".

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

N/A. The Fund does not commit to making sustainable investments.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and anti-bribery matters.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

N/A. The Fund does not commit to making sustainable investments.

How have the indicators for adverse impacts on sustainability factors been taken into account?

N/A

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?

N/A

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

Does this financial product consider principal adverse impacts on sustainability factors?

☐ **Yes.** ___

☒ **No**

[8] Carbon footprint, for the purposes of GMO Horizon Investment Fund, is total GHG emissions (in tonnes) per million dollars of market capitalisation.

The Manager, acting through the Investment Adviser as its delegate, does not consider the PAIs of its investment decisions on sustainability factors, within the meaning of Article 4(1)(a) of SFDR, for the time being. The Investment Adviser does not currently do so because, among other reasons, the Investmetn Adviser is not, in its view, currently in a position to obtain and/or measure all the data which it would be required by SFDR to report, or to do so systematically, consistently and at a reasonable cost with respect to all its investment strategies to investors. This is in part because underlying investments are not widely required to, and may not currently, report by reference to the same data. In addition, the European Commission has requested advice from the European Supervisory Authorities on (i) streamlining and developing further the regulatory framework; (ii) potentially extending the lists of universal indicators for PAIs; and (iii) refining the content of all the PAI indicators and their respective definitions, applicable methodologies, metrics, and presentation. The Investment Adviser's position on this matter will be reviewed as and when there is more regulatory certainty and at least annually.

What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The Fund's investment objective is to seek total return. In selecting securities, the Investment Adviser will use a combination of systematic investment methods and datasets, based on earnings, profitability, and sentiment factors, as well as other publicly available financial information. Security selection is subject to the minimum weighted average green revenue commitment, carbon footprint commitment, and exclusions, each as described above. In constructing the portfolio, the Investment Adviser will consider the trade-off among risk relative to the MSCI ACWI, transaction costs and liquidity. The Investment Adviser may also adjust the Fund's portfolio for the following factors: position size, market capitalisation; and exposure to industries, sectors, and countries. The Investment Adviser currently expects that, relative to the MSCI ACWI, the portfolio of the Fund will typically have sector weightings in the range of +/- 2.5%, country weightings in the range of +/-1.5% and issuer overweights of up to +0.5%. However, the particular sector, country, and issuer ranges may change over time. It is not proposed to concentrate investments in any one industry or geographic sector, however, at times, the Fund may have substantial exposure to a single asset class, industry, sector, country, region, issuer, or currency or companies with similar market capitalisations. The Fund may invest in securities of companies of any market capitalisation. The Fund may make security investments in companies the stocks of which are listed or traded on Regulated Markets anywhere in the world. The factors the Investment Adviser considers and investment methods it uses can change over time.

For further information, please see the 'Investment Objectives and Policies of the Funds' section of the Prospectus.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The Fund will favour companies that generate "green revenue." Green revenue refers to revenue associated with environmentally positive business activities including, without limitation:

- water management, treatment, and delivery;
- waste and pollution management;
- efficient transportation;
- sustainable agriculture and food production;
- renewable or alternative sources of energy, and improved energy efficiency; and
- efficient use of natural resources and reduction of environmental impacts.

The metrics used to monitor green revenue will be sourced from third-party data sets providing such information. The Investment Adviser believes that, under current market conditions, the Fund's weighted average green revenue would typically be at or around three times that of the MSCI ACWI. The Fund is committed to maintaining a weighted average green revenue across its portfolio of at least 20%. In the event that the weighted average green revenue of the Fund at any given time is below 20%, the Investment Adviser shall adopt as a priority objective the remedying of that situation, taking due account of the interests of Shareholders.

In addition to the green revenue undertaking, the Investment Adviser will monitor the carbon footprint of its portfolio using a combination of third-party and proprietary metrics. Greenhouse gas ("GHG") emissions can be classified as direct emissions (generated from sources that are controlled by the company that issues the underlying assets) and indirect emissions (generated in the value chain of the reporting company). Companies and data vendors typically estimate and report direct emissions as scope 1 emissions and indirect emissions as scope 2 and scope 3 emissions. Inputs regarding direct emissions will be sourced as scope 1 emissions from one or more third-party sources. For indirect emissions, the Investment Adviser has developed a proprietary indirect GHG emissions metric because it believes that, particularly with respect to scope 3 emissions, existing data providers use inconsistent estimation methodologies that are not comparable across companies. The Fund is committed to maintaining its total (scope 1 + indirect emissions) carbon footprint at or below 50% of the carbon footprint of the MSCI ACWI. In the event that the carbon footprint of the Fund exceeds at any given time 50% of the carbon footprint of the MSCI ACWI, the Investment Adviser shall adopt as a priority objective the remedying of that situation, taking due account of the interests of Shareholders.

The Investment Adviser excludes from the investment universe of the Fund: (i) companies that the Investment Adviser determines to be associated with one or more major environmental controversies, a list of which is maintained at https://www.gmo.com/horizons-environmental-controversies/; (ii) companies included on certain third-party exclusion lists which may change from time to time; and (iii) sectors of the economy that the Investment Adviser determines are environmentally or socially detrimental, such as coal, tar sands, tobacco, and controversial munitions. A current list of the applicable exclusion lists referred to in clause (ii) above is maintained on the Investment Adviser's website at www.gmo.com/europe/horizons-exclusion-list/. In the event that a company held by the Fund falls into one of the excluded categories above at a time after purchase, the Investment Adviser shall adopt as a priority objective the disposal of its holding in such company, taking due account of the interests of Shareholders.

- ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

N/A. There is no committed minimum rate to reduce the scope of the investments considered prior to the application of the investment strategy.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

- ***What is the policy to assess good governance practices of the investee companies?***

When considering an investment, the Investment Adviser will consider whether the issuer meets its minimum threshold for good governance practices, which incorporate quantitative assessment metrics of a company's management, audit and internal controls, employee relations, compensation practices, and tax and regulatory compliance. Investee companies are then monitored for on-going compliance with these standards. In the case where an investee company demonstrates sustained scores below the minimum investment threshold, the Investment Adviser will consider both engagement and divestment.

For more information on the Investment Adviser's good governance policy, refer to "*Where can I find more product specific information online*?" below.

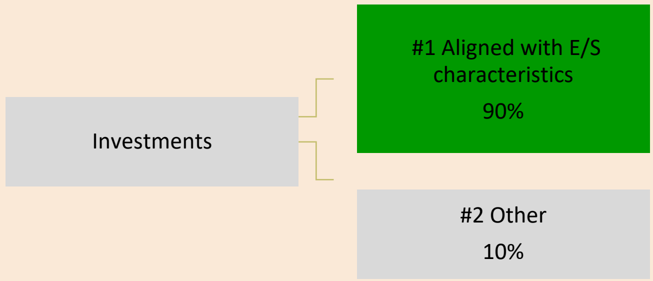
What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

GMO intends that 100% of the Fund's direct and indirect investments, excluding cash on deposit and certain underlying investment funds, will be aligned with the environmental and social characteristics described above. The Fund may invest up to 10% of its net asset value in investment funds, which may or may not themselves be Article 8 Funds and may not be subject to the ESG-related exclusions described above. The percentages in the boxes below assume that the Fund is close to fully invested. However, the Fund may from time to time have a large allocation to cash or other ancillary liquid assets for liquidity management and/or defensive purposes and so the percentages may vary accordingly. For further information, please see the 'Investment Objectives and Policies of the Funds' section of the Prospectus.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

- ***How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?***

The Fund invests in equities in a manner consistent with the environmental characteristics promoted by the Fund. As an alternative to investing directly in such equities, the Fund may use derivatives to gain indirect exposures to such equities.

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The Fund does not commit to make investments that contribute to the environmental objectives identified in the Taxonomy Regulation. The Manager, acting through the Investment Adviser as its delegate, does not currently collect data as to whether: (i) the underlying investments of the Fund take into account the EU criteria for environmentally sustainable economic activities as defined in the Taxonomy Regulation; and (ii) the "do no significant harm" principle under the Taxonomy Regulation applies to those investments. In the European Commission's responses to questions from the European Supervisory Authorities in respect of SFDR (the "EC Q&A") published on 25 May 2022, the European Commission advised that where a financial market participant (such as the Manager) fails to collect data on the environmental objectives set out in the Taxonomy Regulation and on how and to what extent the investments underlying a financial product (such as the Fund) are in economic activities that qualify as environmentally sustainable under the Taxonomy Regulation, the pre-contractual disclosures under SFDR for that financial product must indicate zero. The Fund does not currently intend to be aligned with the Taxonomy Regulation nor does the Investment Adviser currently collect the Taxonomy-related data referred to above. Accordingly, as required by the EC Q&A, 0% of the Fund's investments will be aligned with the environmental objectives under the Taxonomy Regulation. The Investment Adviser will keep the Fund's position vis-à-vis the

Taxonomy Regulation under consideration and, to the extent required, the Prospectus will be amended accordingly.

To comply with the EU Taxonomy, the criteria for fossil gas include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For nuclear energy, the criteria include comprehensive safety and waste management rules.

- ***Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy?***[9]

☐ **Yes**

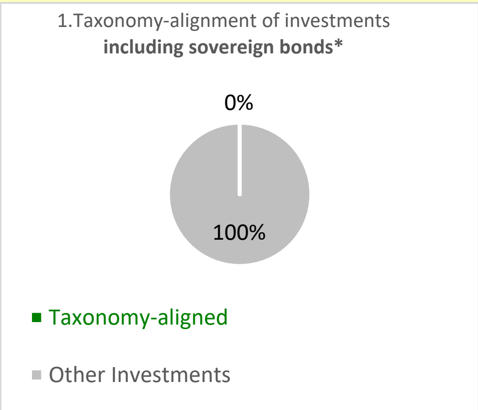
☐ In fossil gas ☐ In nuclear energy

☒ **No**

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



**For the purpose of these graphs, 'sovereign bonds consist of all sovereign exposures*

- ***What is the minimum share of investments in transitional and enabling activities?***

N/A

are environmentally sustainable investments that **do not take into**

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

N/A. The Fund does not commit to making sustainable investments within the meaning of Article 2(17) of SFDR.

[9] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

account the criteria for environmentally sustainable economic activities under the EU Taxonomy.

What is the minimum share of socially sustainable investments?

N/A. The Fund does not commit to making sustainable investments within the meaning of Article 2(17) of SFDR.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

"Other" in this context may include the following investments for which there are no minimum environmental or social safeguards: (i) cash held on deposit; and (ii) investments in UCITS and UCITS equivalent investment funds for the purposes of gaining exposure to equities, debt, money market instruments, currencies, REITs and related derivatives, and instruments relating to commodities indices.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Reference benchmarks are indexes to measure whether the financial product attains the sustainable investment objective

A reference benchmark is not used for the purposes of attaining the environmental characteristics promoted by the Fund.

However, see above under "*What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product*?", for the relevance of the Benchmark to the investment selection process applied by the Investment Adviser.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

  N/A

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  N/A

- ***How does the designated index differ from a relevant broad market index?***

  N/A

- ***Where can the methodology used for the calculation of the designated index be found?***

  N/A

Where can I find more product specific information online?

More product-specific information can be found on the website:

GMO - SFDR framework