

# GMO



North America | Europe | Asia-Pacific

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## **The Race of Our Lives**

2018 Investor Summit on Climate Risk  
January 31, 2018

Proprietary information – not for distribution beyond intended recipient.

## Presenter



### Jeremy Grantham

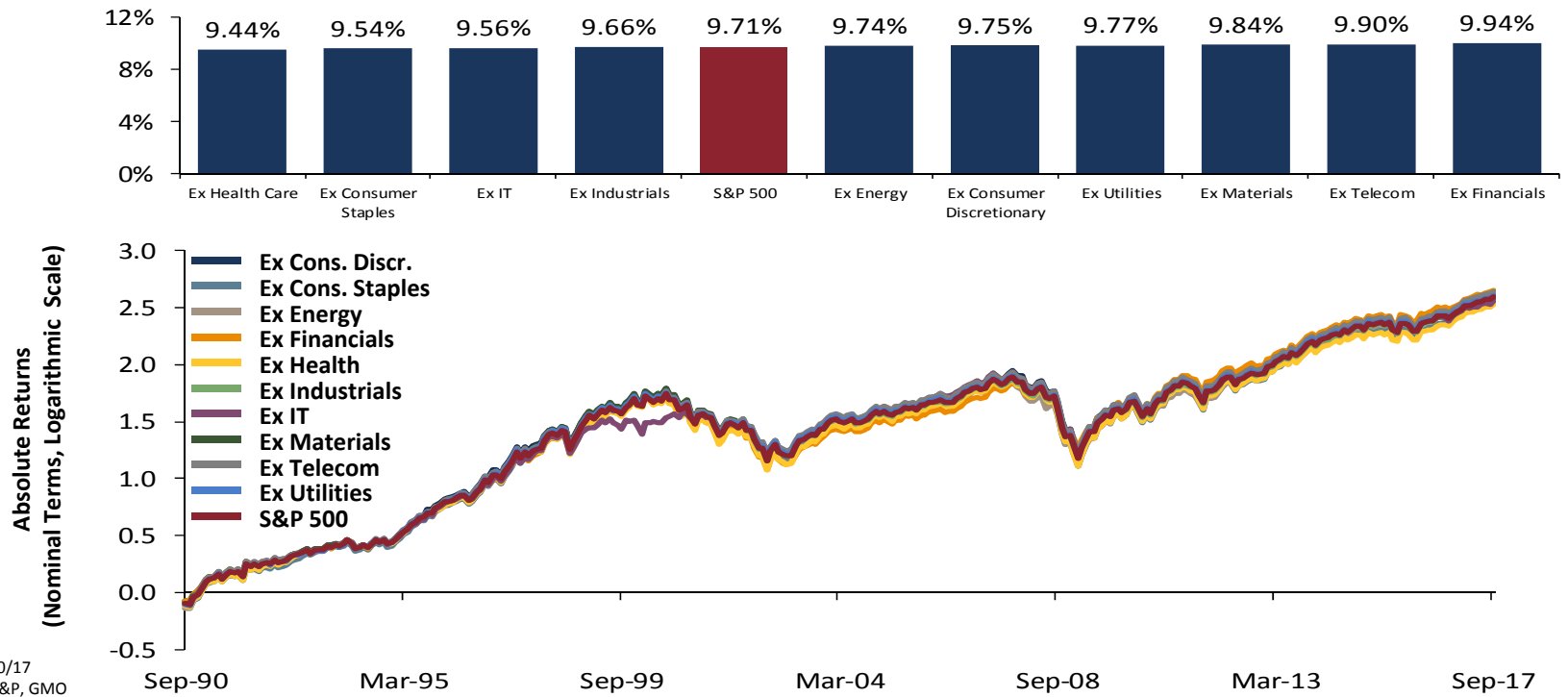
Mr. Grantham co-founded GMO in 1977 and is a member of GMO's Asset Allocation team, serving as the firm's chief investment strategist. He is a member of the GMO Board of Directors and has also served on the investment boards of several non-profit organizations. Prior to GMO's founding, Mr. Grantham was co-founder of Batterymarch Financial Management in 1969 where he recommended commercial indexing in 1971, one of several claims to being first. He began his investment career as an economist with Royal Dutch Shell. Mr. Grantham earned his undergraduate degree from the University of Sheffield (U.K.) and an M.B.A. from Harvard Business School. He is a member of the Academy of Arts and Sciences, holds a CBE from the UK and is a recipient of the Carnegie Medal for Philanthropy.

**But First an Import Tangent:  
The Greatest Myth of Divestment**

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# Yes, You Can Divest From Oil – or Anything Else – Without Much Consequence

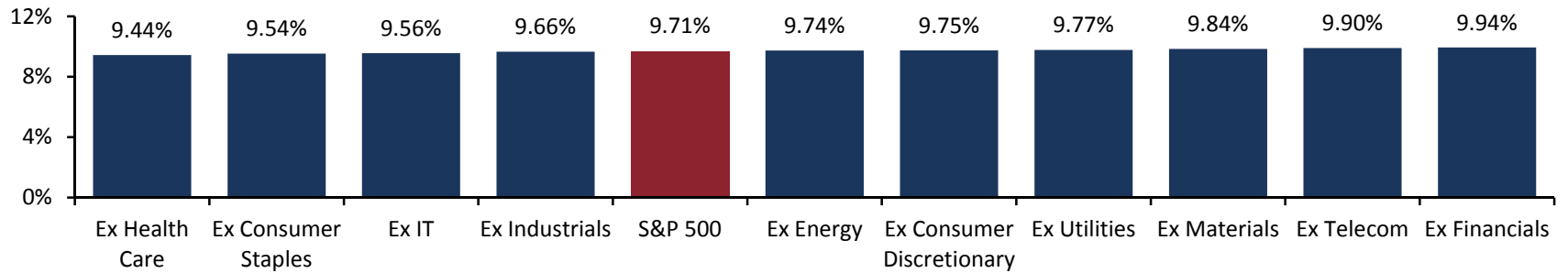
Annualized Absolute Returns (Nominal Terms): 1989-2017 – Range: 50 bps



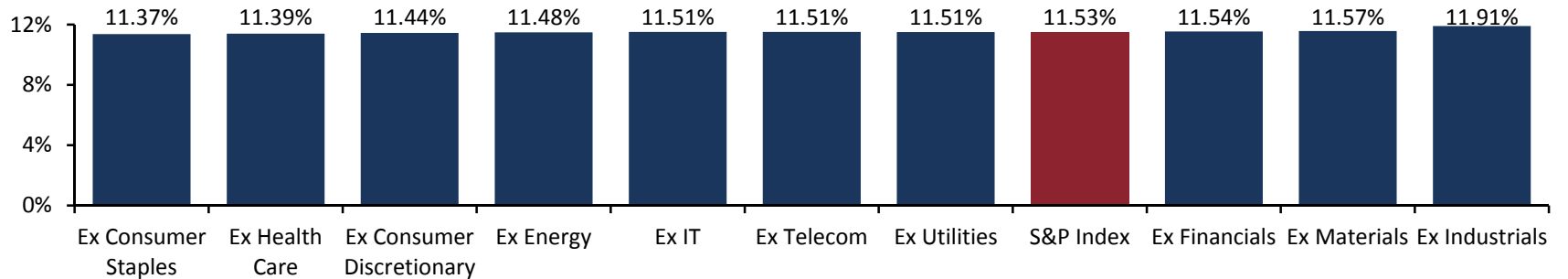
As of 9/30/17  
Source: S&P, GMO

# Yes, You Can Divest From Oil – Or Anything Else – Without Much Consequence

1989-2017 Range: 50bps



1925-2017 Range: 54bps



As of 9/30/17

Source: S&P, GMO

Note: Prior to March 1957 the S&P 500 is represented by the S&P 90 Index