

RISK

This is a marketing communication. Please refer to the prospectus, supplement and KID/KIID for the Funds (available on our website), which contain full information on the risks, before making any final investment decisions.

The Funds are equity funds. Investors should be willing and able to assume the risks of equity investing. The value of an investment and the income from it can fall as well as rise as a result of market and currency movement, and you may not get back the amount originally invested. The Fund invests only in companies involved in the energy sector; it is therefore susceptible to the performance of that one sector and can be volatile.

Past performance does not predict future returns.

The Guinness Global Energy Funds invest in listed equities of companies engaged in the exploration, production and distribution of oil, gas and other energy sources. We believe that over the next 20 years the combined effects of population growth, developing world industrialisation and diminishing fossil fuel supplies will force energy prices higher and generate growing profits for energy companies. The Funds are actively managed and use the MSCI World Energy Index as a comparator benchmark only.

ABOUT THE STRATEGY

Launch	31.12.1998
Index	MSCI World Energy
Sector	IA Commodity/Natural Resources
Managers	Will Riley Jonathan Waghorn Tim Guinness
EU Domiciled	Guinness Global Energy Fund
UK Domiciled	WS Guinness Global Energy Fund

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COMMENTARY

OIL

Spot prices remain elevated on Middle East disruption

The WTI and Brent spot oil prices ended August over \$85/bl as tanker disruption continued in both the Strait of Hormuz and the Bab al-Mandeb Strait. Refining has emerged as the key bottleneck in the energy system, with Ukraine attacks on Russian refineries helping refining margins to sustain record high levels. Further details below, in our 'Back to School' managers' comments.

NATURAL GAS

Global gas prices higher in August

Asian and European liquefied natural gas (LNG) prices broke up through \$20/Mcf (thousand cubic feet) in August, reflecting low European inventories, which are 10-15 percentage points below usual levels as winter nears, and limited LNG flows from the Middle East. Normally, 20% of global LNG supplies transit the Strait of Hormuz. US prices remained below \$3/Mcf.

EQUITIES

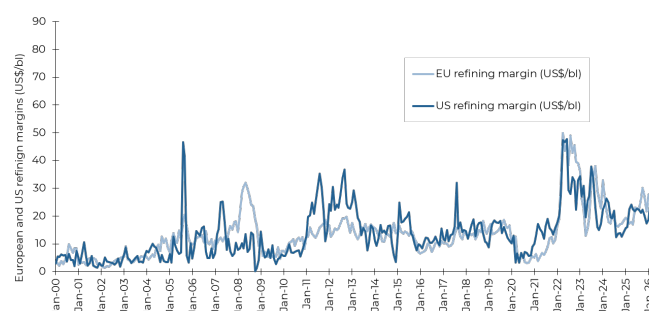
Energy outperforms the broad market in August

Comparing energy equities to the broader market, the MSCI World Energy Index (net return) rose by 4.5% (USD) in August, outperforming the MSCI World Index (net return), which rose by 2.6%. Year-to-date, the MSCI World Energy Index is up 39.6% versus the MSCI World Index up by 13.1%.

CHART OF THE MONTH

US and European refining margins continued to strengthen in August and reached \$67/bl and \$84/bl respectively. US refining margins have averaged around \$44/bl year-to-date, around 3x their long-run average, while European refining margins have averaged around \$50/bl this year, around 4x the long-run average.

US and European refining margins (US\$/bl)

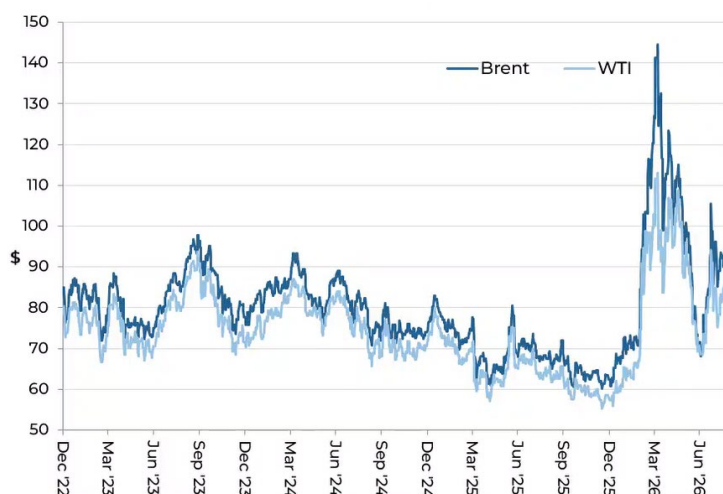


Source: Guinness Global Investors, Bloomberg, Sept 2026

AUGUST IN REVIEW

i) Oil market

Oil price (WTI and Brent \$/barrel): December 2022 to August 2026



Source: Bloomberg; Guinness Global Investors, data as of 31.08.2026

The West Texas Intermediate (WTI) oil price began August at \$84.7/bl and, after falling initially, stayed in a reasonably tight range to end the month at \$85.8/bl. Brent oil started the month at \$96.2/bl and weakened as the month progressed, ending at \$89.7/bl. Brent has averaged \$87/bl so far in 2026, having averaged \$69/bl in 2025, \$81/bl in 2024 and \$83/bl in 2023. The gap between the WTI and Brent benchmark oil prices narrowed significantly over the month, ending August at around \$4/bl. The Brent-WTI spread has averaged around \$5/bl in recent years.

Factors which strengthened WTI and Brent oil prices in August:

- **Continued disruption in the Middle East**

The scale of the disruption in the Middle East has been extraordinary and continues to be extraordinary. The Strait of Hormuz normally sees the passage of around 20m b/day of crude oil, condensate and oil products, as well as around 20% of global LNG trade. Since the outbreak of conflict, tanker traffic through the Strait has fallen to a fraction of normal levels. Pipeline re-routing through Saudi Arabia, the UAE and Iraq, strategic inventory releases, de-sanctioned barrels and the rebalancing of trade flows have helped to reduce the net disruption, but the market has still been left with a very large supply shortfall. By the end of August, we estimate that between 1.5-2bn barrels of oil supply has been shut in over the course of the conflict – equivalent to around 21% of global oil and product inventories. More details are available in our 'Back to School' managers' comments section.

Factors which weakened WTI and Brent oil prices in August:

- **Weakened demand expectations for 2026**

In August, the International Energy Agency (IEA) updated its global oil demand estimate for 2026 to 103.3m b/day, a reduction of 1.5m b/day versus its prior 2026 estimate of 104.8m b/day (made at the start of the year) and down 1.5m b/day versus actual demand in 2025. The lower demand is likely a function of both demand destruction (as a result of higher oil product prices, especially in petrochemicals and oil products in Asia) but also delayed demand due to insufficient supply. Current IEA estimates suggest that oil demand will grow 2.4m b/day in 2027, recovering all of the 2026 demand reduction.

- **US announces deal to develop Venezuelan oil reserves**

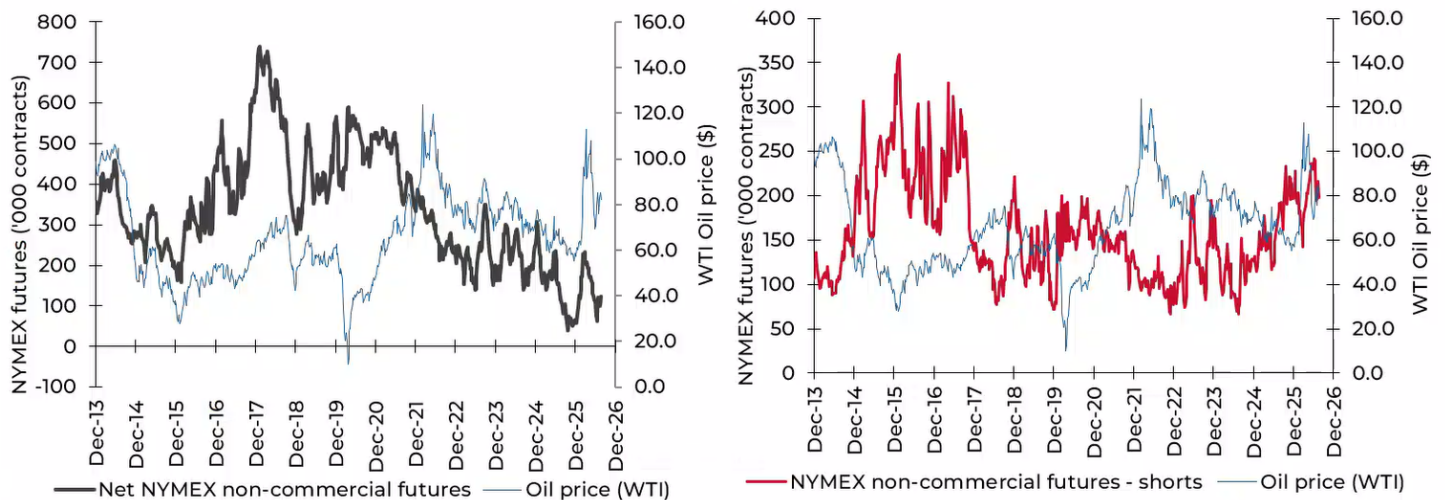
The US government announced an unusual 100-year concession agreement with a private company in Venezuela offering access to potentially 65bn bls of oil reserves across 17 oil fields in the Orinoco belt. Few details have been released beyond the fact that the US will get the right to purchase, at production cost, a guaranteed 20 per cent of the offtake from all current and future fields (that were previously awarded to Russian or Chinese organisations). We note a significant investment requirement (\$100bn) and the fact that basic services such as electricity will be needed as well as new oil production and upgrading facilities. While the potential is vast, we know very little about the quality of the resources or

whether the 65bn bls is recoverable or not. Given the complications, we would expect development will be slower than proposed and see potential for Venezuelan oil production to double, to add around 1m b/day over a period of five years or longer.

Speculative and investment flows

The New York Mercantile Exchange (NYMEX) net non-commercial crude oil futures open position was 123,000 contracts long at the end of August versus 120,000 contracts long at the end of July. The net position peaked in February 2018 at 739,000 contracts long. Typically, there is a positive correlation between the movement in net position and movement in the oil price. The gross short position rose to 200,000 contracts at the end of August versus 195,000 at the end of the previous month.

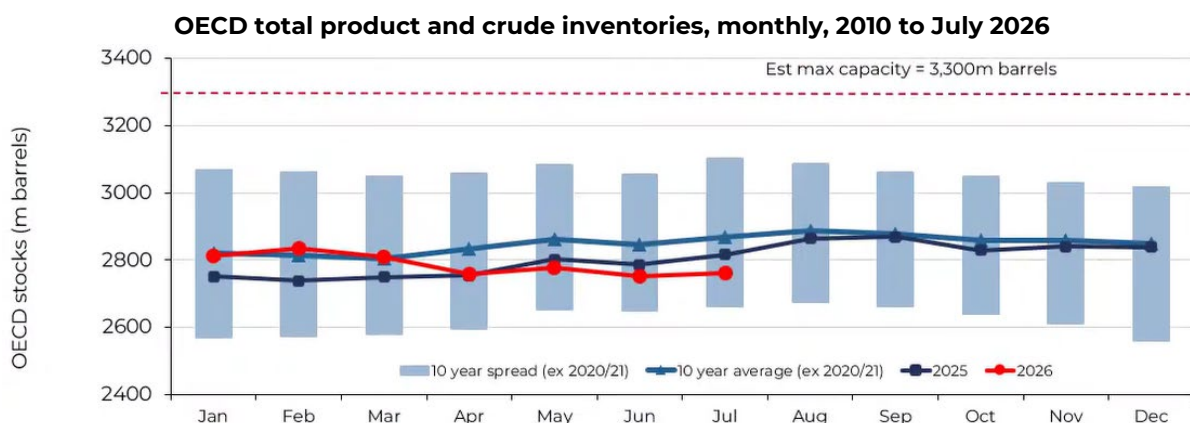
NYMEX non-commercial net and short futures contracts: WTI January 2004 – August 2026



Source: Bloomberg LP/NYMEX/ICE, data as of 31.08.2026

OECD stocks

OECD total product and crude inventories at the end of July (latest data point) were estimated by the IEA to be 2,763m barrels (bls), up by 10m bls versus the level reported for the previous month. The move in July compares to a 10-year average (pre-COVID) build of 21m bls. OECD inventories have held up surprisingly well through the US-Iran conflict, with the majority of global inventory decline occurring in other parts of the market. At the end of July, the overall level of OECD inventories was below the 10-year average.



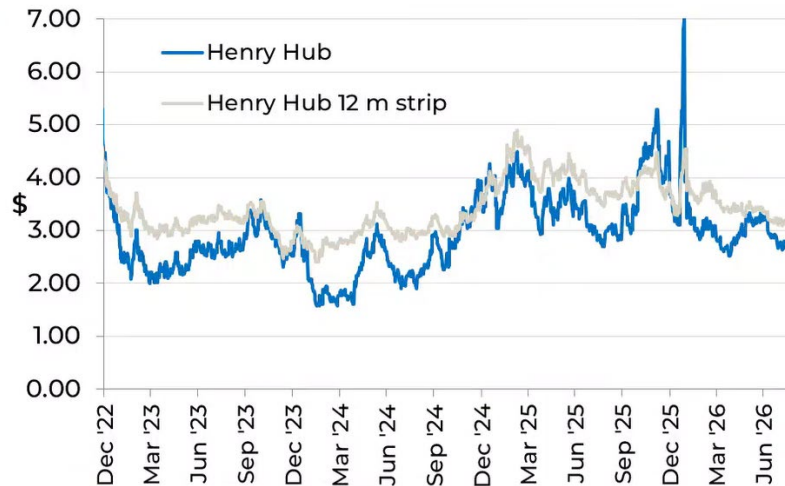
Source: IEA Oil Market Reports (August 2026 and older)

ii) Natural gas market

The US natural gas price (Henry Hub front month) opened August at \$2.75/Mcf (1,000 cubic feet) and generally trended higher over the month, closing up at \$2.94/Mcf. The spot gas price has averaged \$3.16/Mcf so far in 2026, having averaged \$3.63/Mcf in 2025, \$2.41/Mcf in 2024 and \$2.67/Mcf in 2023.

The 12-month gas strip price (a simple average of settlement prices for the next 12 months' futures prices) traded down, opening at \$3.22/Mcf and closing at \$3.16/Mcf. The strip price has averaged \$3.58/Mcf so far in 2026, having averaged \$4.00 in 2025, \$2.98 in 2024 and \$3.19 in 2023.

Henry Hub gas spot price and 12m strip (\$/Mcf): December 2022 to August 2026



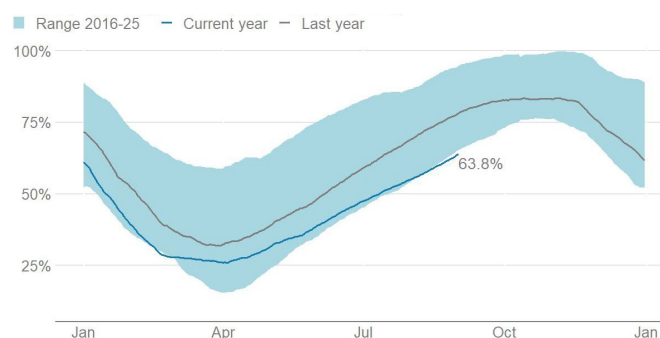
Source: Bloomberg LP, data as of 31.08.2026

Factors which strengthened global gas prices in August included:

- **Low European natural gas inventories**

With the start of the European gas markets winter season approaching, focus has turned to the low level of European gas inventories. Most recent data shows inventories are 63.8% full, below the 10-year average range and 10-15 percentage points below targeted levels. European gas prices broke up through \$20/Mcf during the month as the region increasingly competes for LNG with Asia.

NW European gas inventories (% vs capacity)



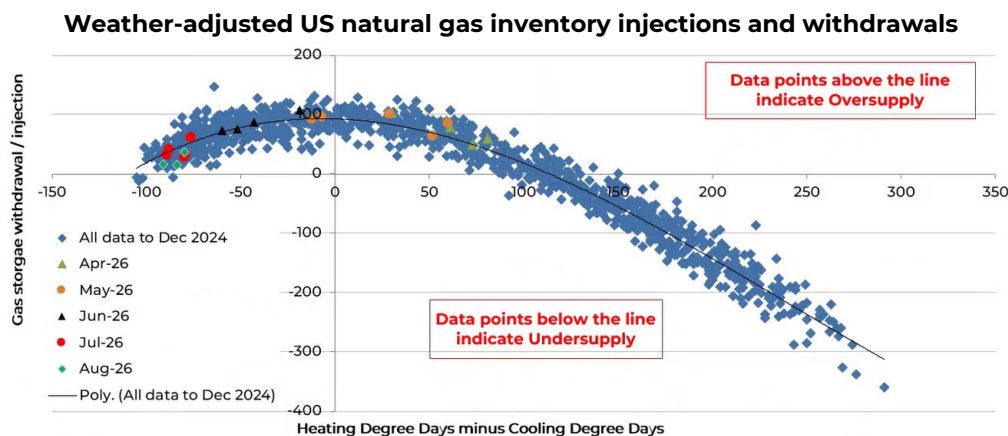
Source: Morgan Stanley, data as of 31.08.2026

- **War in the Middle East**

The Strait of Hormuz typically sees the passage of around 10-11 billion cubic feet (Bcf) per day of LNG, around 20% of the global LNG market. The largest producer, QatarEnergy, shut in production very shortly after the start of the war as available inventory capacity was limited. The loss of 10-11 Bcf/day of LNG is equivalent to around 75% of the Russian pipeline gas lost by Europe in 2022. The fact that flows of LNG in the Gulf remained largely offline was a positive for international gas prices in the month.

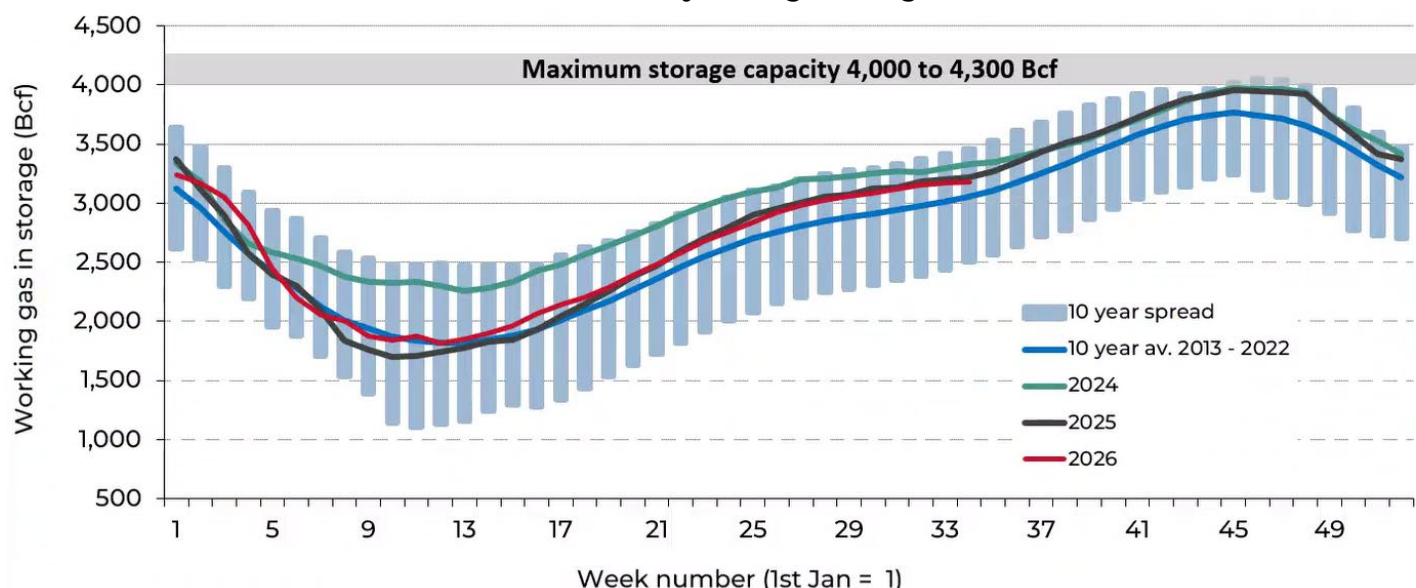
- **US market slightly undersupplied (ex-weather effects)**

Adjusting for the impact of weather, the US gas market was, on average, just over 1 Bcf/day undersupplied during August.



US natural gas inventories stayed just above 10-year average levels during August. With the US market somewhat insulated from the supply disruption in the international and Asian gas markets, inventories built slightly relative to the 10-year average during the month.

Deviation from 10-year US gas storage norm



MANAGERS' COMMENTS

In this 'Back to School' report for global energy, we consider the impact that the conflict in the Middle East is having on global oil and gas markets and the case for energy equities.

Summary

- **This is the largest oil and gas supply shock in modern history.** The closure of the Strait of Hormuz has removed an estimated 1.5-2.0 billion barrels of supply (equivalent to around 21% of global oil and product inventories) yet a combination of inventory releases, trade flow adjustments and demand moderation has so far prevented a more severe oil price dislocation.
- **Oil prices have risen materially but remain below levels implied by the scale of disruption.** Brent crude is up by around 60% year-to-date (at \$95/bl) but is still well below the highs reached earlier this year.
- **Many of the factors that have balanced markets are temporary.** Strategic petroleum reserve releases, inventory drawdowns, higher US exports, lower Chinese imports and the use of sanctioned barrels cannot be repeated indefinitely, increasing the likelihood of more pronounced inventory declines in coming quarters.
- **Refining has emerged as the key bottleneck in the energy system.** Disruptions to Russian refining, lower product exports from the Middle East and China, and years of underinvestment have pushed diesel, jet fuel and gasoline prices sharply higher. This has created a supportive backdrop for refining margins and integrated oil companies but has led to inflationary concerns in the broader economy.
- **The outlook for energy equities remains constructive.** We believe share price moves so far this year can be explained by a combination of a) the cashflow boost from higher near-term commodity prices and refining margins, and b) an increase of around \$4/bl in the long-term oil price being priced into the sector. Sector valuations discount a long-term oil price of around \$74/bl, below our long-term estimate of \$80/bl.

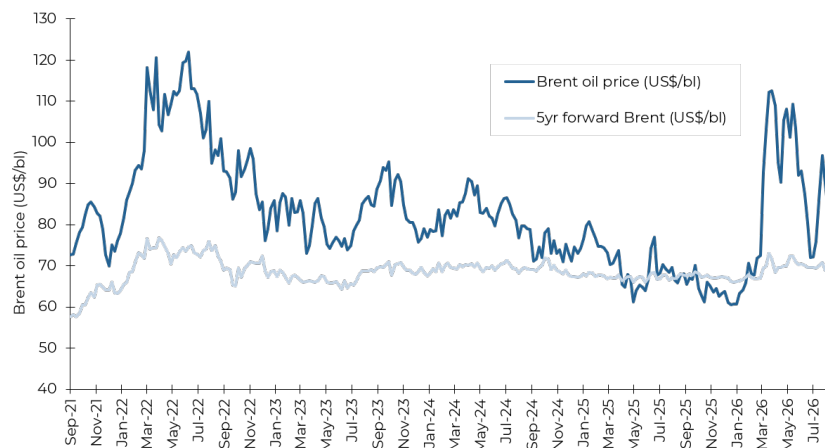
Disruption continues in the Strait of Hormuz

The scale of the disruption has been extraordinary and continues to be extraordinary. The Strait of Hormuz normally sees the passage around 20m b/day of crude oil, condensate and oil products, as well as around 20% of global LNG trade. Since the outbreak of conflict, tanker traffic through the Strait has fallen to a fraction of normal levels. Pipeline re-routing through Saudi Arabia, the UAE and Iraq, strategic inventory releases, de-sanctioned barrels and the rebalancing of trade flows have helped to reduce the net disruption, but the market has still been left with a very large supply shortfall. By the end of August, we estimate that **between 1.5-2bn barrels of oil supply has been shut in** over the course of the conflict – equivalent to around 21% of global oil and product inventories.

The oil price response has been muted by short-term and one-off factors

While oil prices have been volatile, they have not reached the highs that might be expected given the scale of disruption. Having peaked above \$120/bl during the first phase of the conflict, they have since fallen back as investors anticipated a reopening of the Strait and as evidence emerged that the system was finding short-term ways to cope. As we write, Brent stands at \$95/bl, up \$35/bl versus the start of the year but well below the April peak.

Brent oil price (front month and five year forward, US\$/bl)

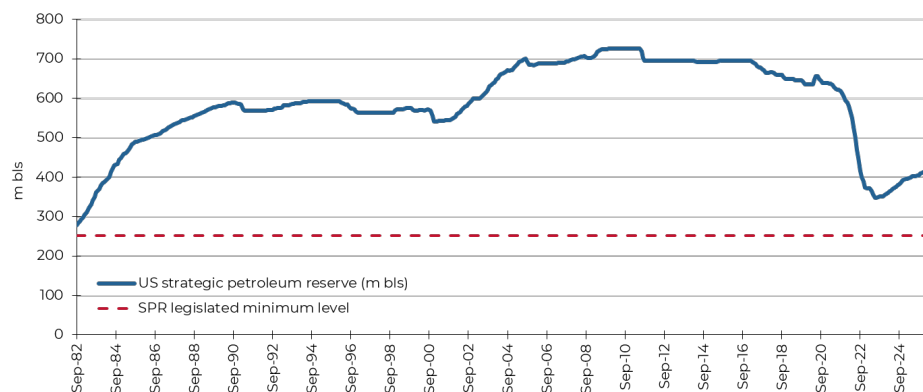


Source: Bloomberg. Data as of 31.08.2026

There has been a range of factors helping to balance the global oil market so far this year. We must remember that the market entered 2026 with **large buffers**, including elevated oil and oil product inventories (some of it unreported) and substantial oil 'on the water' (in tankers or production vessels) including sanctioned Russian and Iranian oil. The bloated condition and oversupplied outlook for the market was reflected in declining Brent oil prices in 2025.

The IEA very quickly announced 400m bls of **strategic oil and oil product inventory release** and around 300m bls of this had entered the market by the end of July, at a rate of around 2m b/day. Although this is a helpful factor in satisfying demand in the near term, we note that strategic inventory levels have fallen sharply. The US Strategic Petroleum Reserve, for example, is at the lowest level in over 40 years and getting close to its minimum operating level. Strategic inventory provides support only once and then **needs to be rebuilt**. On top of this, more than a dozen countries are currently planning to enlarge their reserves.

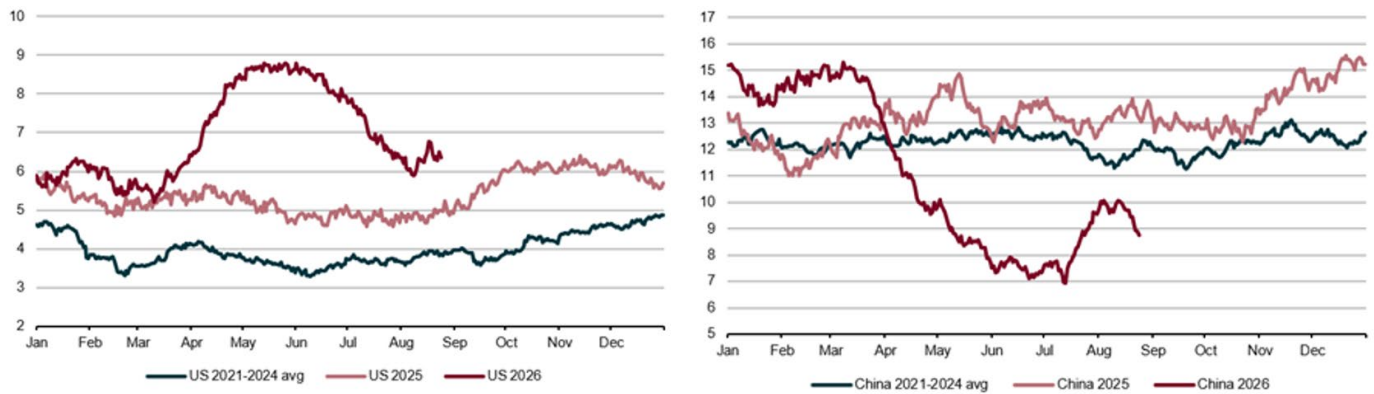
US Strategic Petroleum Reserve (m bls)



Source: Bloomberg. Data as of 31.08.2026

Global trade flows of oil and oil product adjusted rapidly at the start of the conflict, with US seaborne net exports increasing sharply and China's net oil imports shrinking, thereby helping to reduce stress in the physical system and avert price dislocations. We believe that the extra US exports (around 300m bls in total) will have come almost entirely from inventory since there has not been an increase in domestic production, while the lower Chinese imports (around 600m bls in total) reflect a combination of lower demand, a reversal in strategic inventory building and a fall in commercial inventory.

Seaborne net oil exports from the United States; imports to China

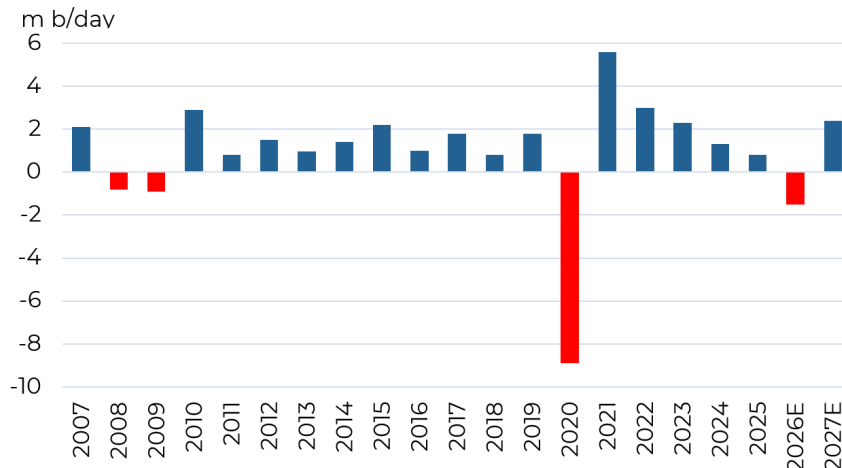


Source: Vortexa, DnB, September 2026

It also seems in recent weeks that greater numbers of **'dark' tankers** are transiting the Strait which, together with ship-to-ship transfers in the Gulf of Oman, have added an estimated 3m b/day of supply since the conflict started.

Lastly, global oil **demand** has fallen, with the IEA now estimating demand of 103.3m b/day in 2026, a reduction of 1.5m b/day versus its prior 2026 estimate of 104.8m b/day and down 1.5m b/day versus actual demand in 2025. The lower demand is likely a function of both demand destruction (as a result of higher oil product prices, especially in petrochemicals and oil products in Asia) but also delayed demand due to insufficient supply. Current IEA estimates suggest that oil demand will grow 2.4m b/day in 2027, recovering all of the 2026 demand reduction.

World oil demand (m b/day)



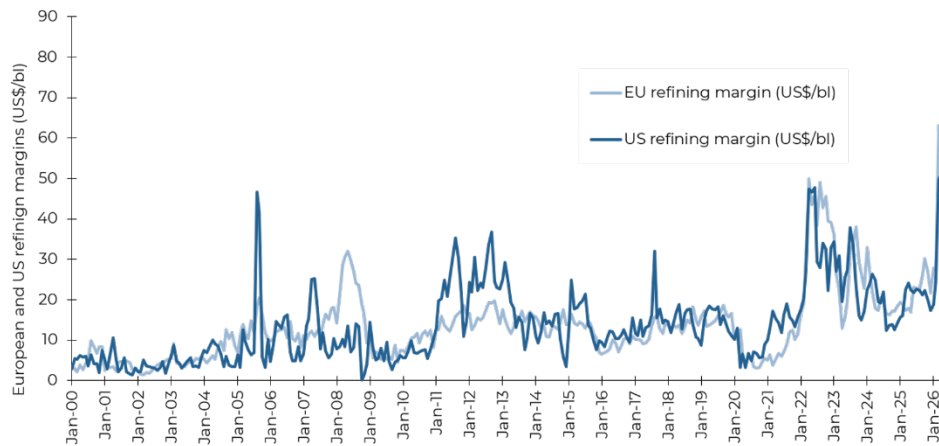
Source: IEA, August 2026

As such, reported observable global oil and oil product inventories have **only fallen by around 500m barrels** since the start of the war and OECD inventories – that have a strong price setting relationship with Brent oil prices – have surprisingly fallen by less than 50m barrels.

Refining is the bottleneck in the global oil system

Interestingly, **refining has been the key bottleneck** in global energy markets, rather than oil production. Since the start of 2026, European and US refining margins have risen to record highs indicating severe constraints in fuel production, especially jet fuel and diesel, resulting in sharply higher oil product prices.

US and European refining margins (US\$/bl)



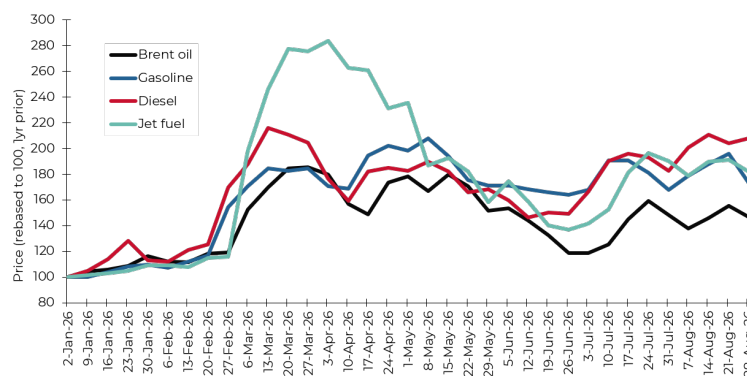
Source: Guinness Global Investors, Bloomberg, Sept 2026

The margin expansion reflects lower refined product exports through the Strait of Hormuz, lower Chinese product exports due to the country's export ban and a determined effort by Ukraine to disrupt Russia's refining system. The scale of disruption in Russia has been significant with between 2.5m and 4m b/day of refining capacity (representing 37-55% of total capacity) being disrupted. Russia – historically the world's second-largest diesel exporter with around 11% share of global seaborne trade – subsequently banned diesel exports for all of 2026 and turned to countries such as Morocco for gasoline imports. Together, these factors have reduced global refinery runs by an estimated 7 million barrels per day at peak versus 2025.

These shorter-term issues have been compounded by years of underinvestment in refining capacity and low product inventories at the start of the year driving sharp increases in diesel, jet fuel and other product prices. Although refiners in unaffected markets are operating at record high utilisation rates, additional output has not been sufficient to balance the market. With little new refining capacity due to come online and major Gulf and Russian facilities still disrupted, refining margins and oil product prices are likely to remain elevated for some time. Since the start of the year, wholesale diesel prices are up over 100%, jet fuel prices are up over 80% and wholesale gasoline prices are up around 70%. High oil product prices are causing a headache for central bankers due to their direct link into inflation metrics.

Brent oil, gasoline, diesel and jet fuel prices (rebased to 100)

US wholesale diesel and gasoline and Singapore jet fuel



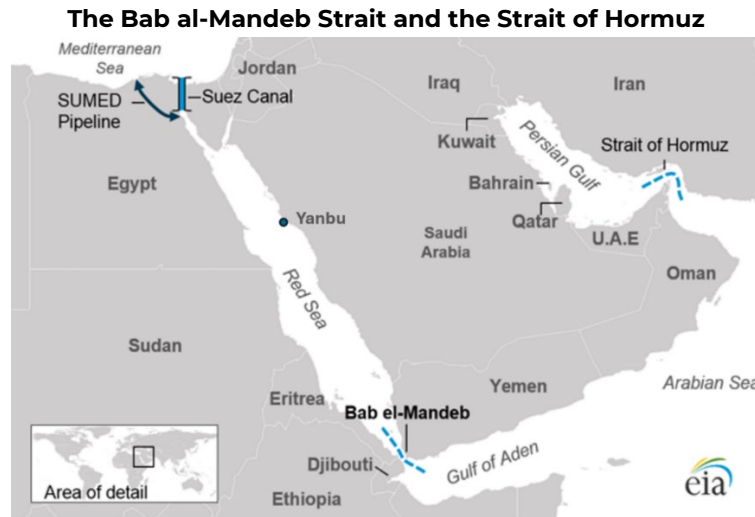
Source: Bloomberg. Data as of 31.08.2026

Outlook for the remainder of the year

Looking ahead, it is exceptionally difficult to predict the progress in the conflict. As students of the oil and gas industry, we know that this is the single largest supply shock it has undergone, and we can already see that its future will be affected.

We are closely watching the increasing role of the Iran-backed **Houthi** rebels and the **Bab al-Mandeb Strait** in Yemen. This strait links the Indian Ocean with the Red Sea and is a key route for Middle Eastern energy exports to Europe via the Suez Canal and SUMED pipeline, representing around 12% of global seaborne oil and 8% of LNG trade. Houthi attacks on shipping are causing diversions around the Cape of Good Hope that add 10-15 days to voyages, increase transport costs by

an estimated \$2/bl and tighten tanker availability. The renewed threat highlights the vulnerability of global energy supply chains and has added to the geopolitical risk premium in energy markets.

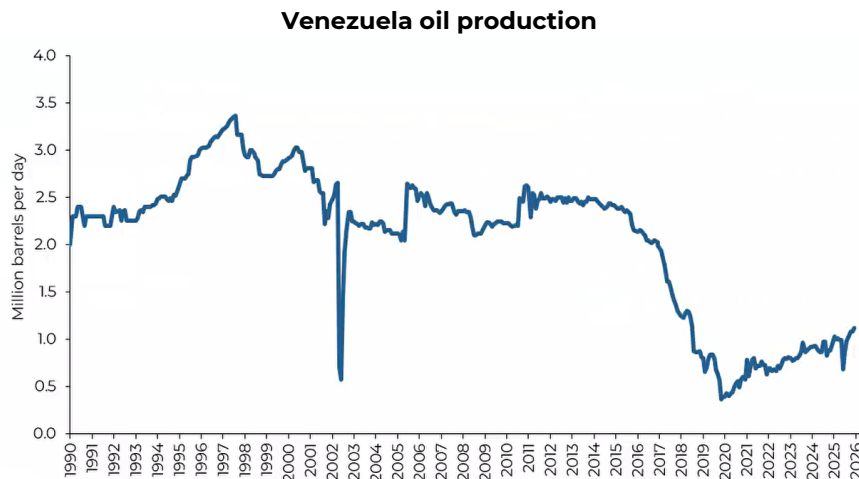


All things being equal, we would expect that **observable oil and oil product inventories** will likely start to fall more sharply in the remainder of the year. We note that many of the factors that have helped to balance oil markets so far (lower Chinese imports, higher US exports, strategic inventory releases, unobserved inventory releases and spare sanctioned Russian and Iranian oil) are one-off in nature and that, in their absence, **commercial inventories will start to bear the brunt of supply shortages** in the coming weeks and months.

Thinking about future supply, the disruption has increased pressure on OPEC, since many of its members rely on the Strait of Hormuz for oil exports. Early in the conflict, the **United Arab Emirates announced its decision to leave OPEC**, effective May 2026, reflecting years of frustration with production quotas and growing ambitions to expand oil output. In the short term, the impact is expected to be limited because UAE production cannot increase materially while the Strait of Hormuz remains disrupted. Once exports normalise, however, the UAE is likely to maximise output to help restore global supplies, potentially offsetting some current production losses.

The search for new supply has led the US government to sign an unusual 100-year concession agreement with a private company in **Venezuela** offering access to potentially 65bn bls of oil reserves across 17 oil fields in the Orinoco belt. Few details have been released beyond the fact that the US will get the right to purchase, at production cost, a guaranteed 20 per cent of the offtake from all current and future fields (that were previously awarded to Russian or Chinese organisations).

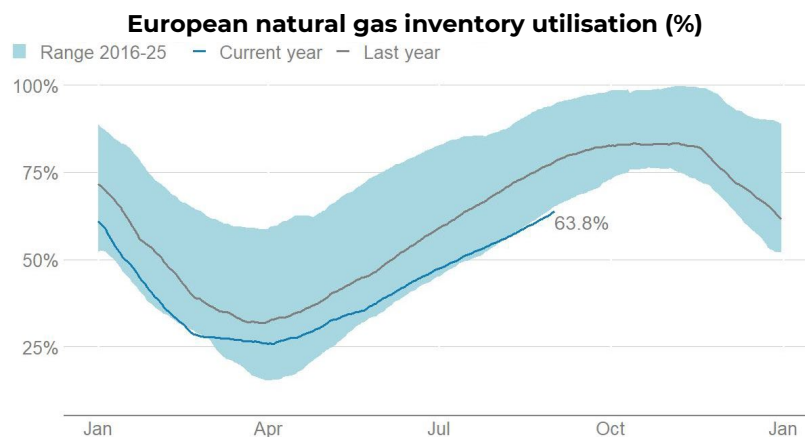
We note a significant investment requirement (\$100bn) and the fact that basic services such as electricity will be needed as well as new oil production and upgrading facilities. While the potential is vast, we know very little about the quality of the resources or whether the 65bn bls is recoverable or not. With a complex refining system on the coast of the Gulf of America, it is very sensible for the US to try to access greater volumes of Venezuelan oil. Given the complications, we would expect development will be slower than proposed and see potential for Venezuelan oil production to double, to add around 1m b/day over a period of five years and more.



Source: Bloomberg, August 2026

As we move closer to the northern hemisphere winter, attention turns to the **global natural gas markets**. These too have also been affected by the Iran conflict. The Strait of Hormuz normally carries around 10-11 Bcf/day of LNG, representing around 20% of global LNG supply. QatarEnergy shut in production early in the conflict, with two Qatari processing lines damaged and likely offline for three to five years. International LNG prices have risen sharply, with Europe and Asia competing for non-Middle Eastern cargoes at a time when European inventories were already lower than normal after winter.

Europe is likely to enter this winter with **record low natural gas inventories** as supply loss over the summer was absorbed at the expenses of inventory builds rather than demand cuts. Winter likely brings prices that are high enough to compete for Asian LNG and also to bring demand destruction. We do not expect to see prices as high as in 2022, when Russian gas was lost to the bloc permanently, and negative economic impacts are unlikely to be as large as those seen in that year. The duration of the conflict is critical and, assuming a resolution at some point, supply will return and new LNG developments will provide some respite to the European gas market.



Source: Morgan Stanley, September 2026

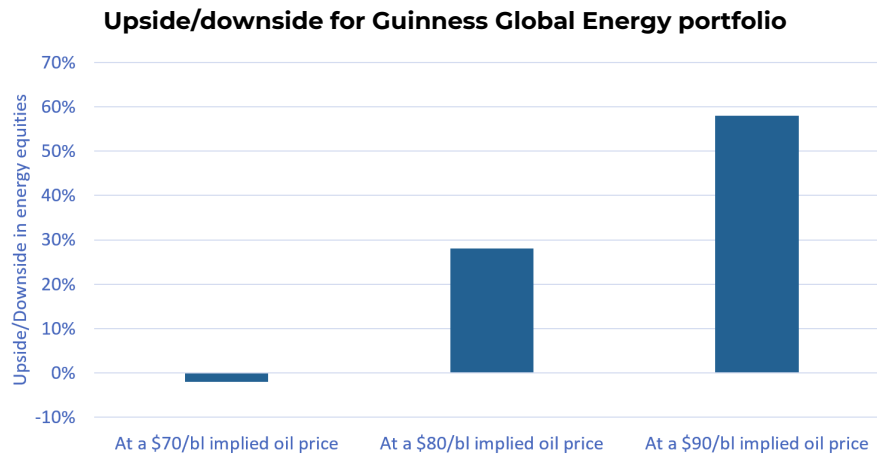
Energy equity movements year-to-date

The Iran war has raised both near-term and long-term oil prices, thereby impacting company earnings estimates and equity valuations.

- Considering this year and next year, we find that increasing our oil price estimates from \$65/\$75/bl in 2026/27 to \$90/\$80/bl increases the fair value estimates for our fund holdings by **around 15-20%**. In addition, marking our refining margin assumptions higher for 2026 creates additional cash flow for our integrated and refining holdings that represents a **further 5-10% increase** in our fair value estimates.
- Looking beyond 2026 and 2027, we note that the five-year forward Brent oil price has risen by nearly \$5/bl year to date (from around \$66/bl to \$70/bl at the end of August) reflecting pressure on the industry's longer-term

economics, resulting from sustained Middle Eastern supply risks. Based on our modelling work, we find that a \$5/bl increase in long-term oil prices justifies a further **15% increase** in share prices.

As such, moves in energy equities of around 40% so far this year have lifted valuations, but not excessively, and can be explained by short-term and long-term commodity price movements. At the start of 2026, we estimated that the portfolio reflected a long-term Brent oil price of around \$67/bl and by the end of August, the portfolio's valuation implied a long-term Brent price of around \$74/bl, still below the \$80/bl level that we consider a reasonable long-term incentive price.



Source: Guinness Global Investors, 06.07.2026. Assumes \$90/bl Brent in 2026, then the stated oil price into perpetuity from 2027 onwards

In conclusion, the events of 2026 have highlighted both the resilience and the fragility of the global energy system. Despite the largest oil and gas supply shock in history, a combination of strategic stock releases, inventory drawdowns, trade flow adjustments and demand reduction have so far prevented an oil price dislocation. However, many of these **balancing mechanisms appear temporary** in nature and, with Hormuz risks continuing, global oil inventories are likely to come under increasing pressure into the end of the year. Uncertainty is high but we see good reasons for **oil and oil product prices remaining at elevated levels** that encourage both demand discipline and investment in future supply.

For energy equities, the implications remain constructive. Share prices have responded positively to higher commodity prices and stronger refining economics, but in our view they still do **not fully reflect the potential earnings power** of the sector. The combination of declining industry spare capacity, increasing geopolitical complexity and improving long-term project economics supports a **favourable medium-term outlook** for both oil prices and energy equities.

PERFORMANCE

The main index of oil and gas equities, the MSCI World Energy Index (net return), rose by 4.5% in August, while the broader equity market, as measured by the MSCI World Index (net return), rose by 2.6% in USD.

Within the Fund, the strongest performers were Schlumberger, Valero Energy, Halliburton, Galp Energia and ConocoPhillips while the weakest performers were TC Energy Corp, Enbridge, BP, EOG Resources and Eni.

Past performance does not predict future returns.

Guinness Global Energy Fund Performance (in USD) as at 31.08.2026

Cumulative returns (%)	YTD	1 year	3 years ann.	5 years ann.	Launch of strategy* ann. (31.12.98)		
Guinness Global Energy Fund	40.0	43.8	16.7	20.5	9.3		
MSCI World Energy NR Index	39.6	41.9	17.0	22.7	7.3		
Calendar year returns (%)	2025	2024	2023	2022	2021	2020	2019
Guinness Global Energy Fund	17.1	-1.3	2.6	32.4	44.5	-34.7	9.8
MSCI World Energy NR Index	13.3	2.7	2.5	46.0	40.1	-31.5	11.5
	2018	2017	2016	2015	2014	2013	2012
Guinness Global Energy Fund	-19.7	-1.3	27.9	-27.6	-19.1	24.4	2.9
MSCI World Energy NR Index	-15.8	5.0	26.6	-22.8	-11.6	18.1	1.9
	2011	2010	2009	2008*	2007*	2006*	2005*
Guinness Global Energy Fund	14.3	14.4	60.8	-48.2	37.9	10.0	62.3
MSCI World Energy NR Index	0.2	11.9	26.2	-38.1	29.8	17.9	28.7
	2004*	2003*	2002*	2001*	2000*	1999*	
Guinness Global Energy Fund	41.0	32.3	6.7	-4.1	39.6	22.5	
MSCI World Energy NR Index	28.1	25.9	-6.4	-7.2	6.0	22.0	

Source: FE fundinfo, Guinness Global Investors and Bloomberg, bid to bid, net of fees, gross income reinvested, in US dollars

Calculation by Guinness Global Investors. *Simulated past performance prior to 31.03.2008, launch date of Guinness Global Energy Fund. The Guinness Global Energy investment team has been running global energy funds in accordance with the same methodology continuously since December 1998. These returns are calculated using a composite of the Investec GSF Global Energy Fund class A to 29.2.08 (managed by the Guinness team until this date); the Guinness Atkinson Global Energy Fund (sister US mutual fund) from 1.3.08 to 31.3.08 (launch date of this Fund), the Guinness Global Energy Fund class A (1.49% OCF) from launch to 02.09.08, and class Y (0.77% OCF) thereafter. Returns for share classes with a different OCF will vary accordingly.

Investors should note that fees and expenses are charged to the capital of the Fund. This reduces the return on your investment by an amount equivalent to the Ongoing Charges Figure (OCF). The fund performance shown has been reduced by the current OCF of 0.77% per annum. Returns for share classes with different OCFs will vary accordingly. Performance returns do not reflect any initial charge; any such charge will also reduce the return. Transaction costs also apply and are incurred when a Fund buys or sells holdings.

Past performance does not predict future returns.

WS Guinness Global Energy Fund
Performance (in GBP) as at 31.08.2026

Cumulative returns (%)	YTD	1 year	3 years ann.	5 years ann.			
WS Guinness Global Energy Fund	36.6	41.4	13.6	20.9			
MSCI World Energy NR Index	38.5	41.4	14.4	23.1			
Calendar year returns (%)	2025	2024	2023	2022	2021	2020	2019
WS Guinness Global Energy Fund	10.7	-0.8	-2.3	49.9	45.7	-35.7	12.6
MSCI World Energy NR Index	5.5	4.5	-3.3	64.4	41.4	-33.6	7.2
	2018	2017	2016	2015	2014	2013	2012
WS Guinness Global Energy Fund	-6.3	-7.2	65.2	-29.6	-26.6	-4.7	2.5
MSCI World Energy NR Index	-10.6	-4.1	51.0	-18.3	-6.1	15.9	-2.6

Source: FE fundinfo, bid to bid, net of fees, gross income reinvested, in GBP

Investors should note that fees and expenses are charged to the capital of the Fund. This reduces the return on your investment by an amount equivalent to the Ongoing Charges Figure (OCF). The fund performance shown has been reduced by the current OCF of 0.77% per annum. Returns for share classes with different OCFs will vary accordingly. Performance returns do not reflect any initial charge; any such charge will also reduce the return. Fund launched 21.04.2011.

PORTFOLIO

Buys/Sells

There were no stock switches during the month, but the portfolio was rebalanced.

Sector Breakdown

The following table shows the asset allocation of the Guinness Global Energy Fund at **August 31 2026**.

Asset allocation as %NAV	Current	Change	Last year end	Previous year ends										
	Aug-26		Dec-25	Dec-24	Dec-23	Dec-22	Dec-21	Dec-20	Dec-19	Dec-18	Dec-17	Dec-16	Dec-15	Dec-14
Oil & Gas	97.4%	0.4%	97.0%	97.8%	98.9%	97.4%	96.9%	94.8%	98.3%	96.7%	98.4%	96.7%	95.1%	93.7%
Integrated	53.8%	1.1%	52.7%	55.1%	54.7%	54.7%	57.7%	56.3%	51.1%	46.4%	42.9%	46.4%	41.5%	37.3%
Exploration & Production	18.8%	0.7%	18.1%	19.3%	23.2%	23.1%	23.7%	22.2%	29.6%	35.8%	36.9%	35.8%	36.5%	36.2%
Drilling	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	2.2%	1.9%	2.2%	1.5%	3.3%
Equipment & Services	9.7%	0.8%	8.9%	9.8%	10.0%	9.0%	4.0%	4.6%	9.6%	8.6%	9.5%	8.6%	11.4%	13.4%
Storage & Transportation	9.6%	-1.7%	11.3%	8.0%	5.0%	4.8%	4.3%	4.4%	4.0%	0.0%	3.5%	0.0%	0.0%	0.0%
Refining & Marketing	5.5%	-0.5%	6.0%	5.6%	6.0%	5.8%	7.2%	7.3%	3.8%	3.7%	3.7%	3.7%	4.2%	3.5%
Solar	0.0%	0.0%	0.0%	0.0%	0.2%	0.7%	1.0%	1.8%	0.7%	0.9%	1.4%	0.9%	4.7%	3.7%
Coal & Consumable Fuels	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Construction & Engineering	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Cash	2.6%	-0.4%	3.0%	2.2%	0.9%	1.9%	2.1%	3.3%	1.1%	2.4%	0.2%	2.4%	0.2%	2.6%

Source: Guinness Global Investors. Basis: Global Industry Classification Standard (GICS)

The Fund at end of August 2026 was on a price to earnings (PE) ratio for 2025/2026 of 16.4x/10.6x versus the MSCI World Index at 27.7x/19.8x as set out in the following table:

As at 31 August 2026

	PE			EV/EBITDA			Dividend Yield	
	2025	2026E	2027E	2025	2026E	2027E	2026E	2027E
Guinness Global Energy Fund	16.4x	10.6x	12.2x	8x	5.6x	6.1x	3.2%	3.4%
MSCI World Index	27.7x	19.8x	17.7x	17.1x	13.9x	12.0x	1.6%	1.7%
Fund Premium/(Discount)	-41%	-46%	-31%	-56%	-60%	-49%		

*Portfolio = median CFROI; Index data = Credit Suisse MSCI World ETF median CFROI

Source: Bloomberg; Guinness Global Investors

Portfolio holdings

Our integrated and similar stock exposure (c.54%) is comprised of a mix of mid-cap, mid/large-cap and large-cap stocks. Our five large-caps are Chevron, BP, ExxonMobil, Shell and TotalEnergies. Mid/large and mid-caps are ENI, Equinor, GALP, Repsol and OMV. At 31 August 2026, the median PE ratio of this group was 8.6x 2026 earnings. We also have three Canadian integrated holdings, Suncor, Cenovus and Imperial Oil. All three companies have significant exposure to oil sands in addition to downstream assets.

Our exploration and production (E&P) holdings (c.19%) give us exposure most directly to rising oil and natural gas prices. We include in this category non-integrated oil sands companies, as this is the GICS approach. The stock here with oil sands exposure is Canadian Natural Resources. The pure E&P stocks have a bias towards the US (EOG, Diamondback and Devon), with one other name (ConocoPhillips) having a mix of US and international production. One of the key metrics behind a number of the E&P stocks held is low enterprise value relative to proven reserves.

We have exposure to two emerging market stocks, Petrochina and Sinopec, which in total represent around 4% of the portfolio.

The portfolio contains four midstream holdings, Enbridge, Kinder Morgan, Williams Cos and TC Energy. These represent four of North America's largest pipeline companies. With the growth of hydrocarbon demand expected in the US and Canada over the next five years, especially natural gas, we believe each company is well placed to execute its pipeline and energy infrastructure expansion plans.

We have reasonable exposure to oil service stocks, which comprise around 10% of the portfolio. The stocks we own provide exposure to both North American and international oil and natural gas development.

Our independent refining exposure is currently in the US in Valero, the largest of the US refiners. Valero has a reasonably large presence on the US Gulf Coast and is benefiting from a recovery in refining margins.

Portfolio at August 31 2026

Guinness Global Energy Fund (31 August 2026)						P/E		EV/EBITDA			Price/Book	
Stock	ISIN	% of NAV	2025	2026E	2027E	2025	2026E	2027E	2025	2026E	2027E	
Integrated Oil & Gas												
Exxon Mobil Holdings Corp	US30233Q1085	5.2%	20.1x	13.3x	14.5x	11.0x	7.6x	8.1x	2.6x	2.4x	2.3x	
Chevron Corp	US1667641005	4.8%	24.1x	12.7x	15.5x	12.0x	6.5x	7.4x	2.3x	2.0x	2.0x	
Shell PLC	GB00BP6MXD84	4.6%	12.0x	8.5x	10.0x	4.9x	4.1x	4.6x	1.6x	1.4x	1.3x	
Total SA	FR0000120271	4.6%	10.9x	8.1x	9.1x	5.7x	4.7x	5.2x	1.8x	1.5x	1.4x	
BP PLC	GB0007980591	4.4%	15.2x	7.0x	9.9x	5.3x	3.6x	4.1x	1.9x	1.8x	1.6x	
Equinor ASA	NO0010096985	3.2%	13.5x	8.0x	10.6x	2.6x	2.0x	2.5x	2.7x	2.2x	2.0x	
ENI SpA	IT0003132476	3.1%	16.4x	8.6x	9.7x	5.6x	4.6x	5.0x	1.5x	1.3x	1.3x	
Repsol SA	ES0173516115	3.7%	14.5x	5.6x	7.3x	7.4x	4.1x	5.0x	1.4x	1.0x	0.9x	
Galp Energia SGPS SA	PTGALOAM0009	3.1%	15.5x	9.9x	11.7x	5.7x	4.4x	4.9x	3.8x	2.8x	2.6x	
OMV AG	AT0000743059	3.3%	9.5x	7.8x	9.1x	4.5x	4.3x	4.6x	1.5x	1.2x	1.1x	
		40.0%										
Integrated / Oil & Gas E&P - Canada												
Suncor Energy Inc	CA8672241079	3.8%	18.4x	9.1x	11.9x	5.7x	5.2x	6.3x	2.6x	2.1x	2.0x	
Canadian Natural Resources Ltd	CA1363851017	4.0%	23.7x	11.4x	13.1x	10.0x	6.7x	7.6x	3.8x	2.9x	2.8x	
Cenovus Energy Inc	CA15135U1093	4.0%	25.7x	9.4x	11.3x	9.3x	5.0x	6.1x	2.8x	2.3x	2.1x	
Imperial Oil Ltd	CA4530384086	3.6%	19.9x	12.4x	14.1x	11.0x	8.0x	9.1x	4.0x	3.6x	3.4x	
		15.4%										
Integrated Oil & Gas - Emerging market												
PetroChina Co Ltd	CNE1000003W8	2.4%	9.4x	8.5x	9.1x	5.1x	4.6x	4.7x	1.1x	1.0x	0.9x	
		2.4%										
Oil & Gas E&P												
ConocoPhillips	US20825C1045	4.5%	16.8x	12.6x	14.1x	7.8x	5.6x	6.0x	2.6x	2.4x	2.2x	
EOG Resources Inc	US26875P1012	3.4%	12.3x	8.7x	10.1x	6.3x	4.8x	5.4x	2.7x	2.3x	2.0x	
Diamondback Energy Co	US25278X1090	3.5%	12.5x	9.9x	11.0x	10.1x	5.8x	6.2x	1.5x	1.2x	1.2x	
Devon Energy Corp	US25179M1036	3.4%	9.8x	8.9x	9.3x	8.7x	5.1x	4.5x	2.1x	1.2x	1.4x	
		14.8%										
Midstream												
Kinder Morgan Inc	US49456B1017	2.4%	26.7x	20.7x	20.5x	15.5x	11.6x	11.5x	2.3x	2.2x	2.1x	
Enbridge Inc	CA29250N1050	2.2%	19.7x	23.8x	21.5x	17.7x	13.2x	12.4x	2.7x	2.6x	2.6x	
TC Energy Corp	CA87807B1076	2.3%	22.1x	22.9x	21.6x	18.3x	13.7x	13.2x	3.7x	3.5x	3.4x	
Williams Cos	US9694571004	2.6%	39.3x	30.9x	28.8x	22.0x	14.7x	13.1x	7.2x	6.3x	6.1x	
		9.6%										
Equipment & Services												
Schlumberger Ltd	AN8068571086	3.4%	15.5x	23.0x	17.8x	8.8x	11.7x	10.0x	3.8x	3.2x	3.1x	
Baker Hughes a GE Co	US05722G1004	2.6%	27.3x	24.4x	21.8x	13.3x	12.9x	11.5x	3.7x	2.9x	2.7x	
Halliburton Co	US4062161017	3.0%	12.4x	15.4x	12.5x	6.9x	9.0x	7.9x	3.0x	2.7x	2.4x	
Hornbeck Offshore Services Inc	US42330P1075	0.7%	21.6x	39.2x	18.3x	3.9x	5.7x	4.3x	1.0x	1.0x	0.9x	
		9.7%										
Oil & Gas Refining & Marketing												
China Petroleum & Chemical Corp	CNE1000002Q2	1.2%	10.5x	11.5x	10.3x	6.3x	5.8x	5.5x	0.7x	0.6x	0.6x	
Valero Energy Corp	US91913Y1001	4.4%	41.1x	8.2x	11.3x	15.8x	5.5x	7.9x	4.5x	3.5x	3.2x	
		5.5%										
Cash	Cash	2.6%										

The Fund's portfolio may change significantly over a short period of time; no recommendation is made for the purchase or sale of any particular stock.

OUTLOOK

i) Oil market

The table below illustrates the difference between the growth in world oil demand and non-OPEC supply since 2015:

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026E	2027E
												IEA	IEA
World Demand	95.3	96.4	98.2	99.5	100.7	91.8	97.4	100.0	102.8	104.0	104.8	103.3	105.7
Non-OPEC supply (inc NGLs)	65.7	65.2	66.1	68.7	70.9	68.0	68.4	70.9	73.5	74.5	76.6	76.8	79.2
OPEC NGLs	4.5	4.6	4.7	4.8	4.5	4.5	4.6	4.7	4.6	4.6	4.8	3.8	4.8
Non-OPEC supply plus OPEC NGLs	70.2	69.8	70.8	73.5	75.4	72.5	73.0	75.6	78.1	79.1	81.4	80.6	84.0
Call on OPEC (crude oil)	25.1	26.6	27.4	26.0	25.3	19.3	24.4	24.4	24.7	24.9	23.4	22.7	21.7
Congo supply adjustment	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.2	0.3	0.3	0.3
Gabon supply adjustment	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Eq Guinea supply adjustment	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Call on OPEC-8 (crude oil)	24.5	26.0	26.8	25.4	24.7	18.7	23.8	23.8	24.1	24.4	22.9	22.2	21.1

Source: Bloomberg; IEA; Guinness Global Investors, June 2026

Global oil demand in 2019 was 13m b/day higher than the pre-Financial Crisis (2007) peak. The demand picture for 2020, down by around 9m b/day, was heavily clouded by the impact of the COVID-19 virus and efforts to mitigate its spread. Demand rebounded between 2020 and 2025 by over 12m b/day, leaving overall consumption in 2025 4.1m b/day higher than the 2019 peak.

OPEC

The last few years have proved testing for OPEC. They have tried to keep prices strong enough that OPEC economies are not running excessive deficits, whilst not pushing the price too high and over-stimulating non-OPEC supply.

The effect of \$100+/bl oil, enjoyed for most of the 2011-2014 period, emerged in 2014 in the form of an acceleration in US shale oil production and an acceleration in the number of large non-OPEC (ex US onshore) projects reaching production. OPEC met in late 2014 and responded to rising non-OPEC supply with a significant change in strategy to one that prioritised market share over price. Post the November 2014 meeting, OPEC not only maintained their quota but also raised production significantly, up by 2.5m b/day over the subsequent 18 months. This contributed to an oversupplied market in 2015 and 2016.

In late 2016, faced with sharply lower oil prices, OPEC stepped back from their market share stance, announcing plans for the first production cut since 2008. The announcement included a cut in production from Russia (a non-OPEC country), creating for the first time the concept of an OPEC+ group.

OPEC-8 oil production July 2026

('000 b/day)	31-Dec-19	31-Dec-25	31-Jul-26	Current vs Dec 2019	Current vs Dec 2025
Saudi	9,730	10,000	7,400	-2,330	-2,600
Iran	2,080	3,270	2,500	420	-770
Iraq	4,610	4,370	2,300	-2,310	-2,070
Kuwait	2,710	2,560	1,570	-1,140	-990
Nigeria	1,820	1,520	1,560	-260	40
Venezuela	730	900	1,160	430	260
Libya	1,110	1,320	1,390	280	70
Algeria	1,010	970	1,000	-10	30
OPEC-8	23,800	24,910	18,880	-4,920	-6,030

Source: Bloomberg; Guinness Global Investors, August 2026

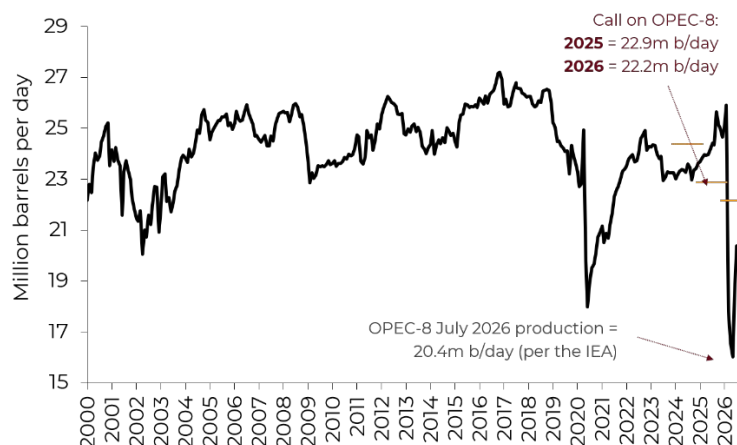
The 2017-19 period continued to be volatile for OPEC, with further production cuts necessary to balance ongoing non-OPEC supply growth.

The challenge for OPEC+ then ballooned in 2020 with the onset of COVID around the world. Initially, OPEC and their non-OPEC partners failed to reach agreement around their response to demand from the spread of the virus, precipitating a fall-out between participants and a short-lived price war. In light of extreme oil market oversupply, OPEC and non-OPEC partners reconvened in April 2020 and confirmed a deal to cut their production by nearly 10m b/day.

In mid 2021, with demand largely recovered after COVID, the OPEC+ group agreed to taper their quota cuts until late 2022. The actions of OPEC through the pandemic gave us confidence that OPEC was looking to do 'what it takes' to keep the market in balance, despite extreme challenges. Since the end of 2022, OPEC have adjusted their production to match closely the prevailing call on the group, whilst mindful that any loss of market share must not stretch too far.

Since the start of 2025, the group has increased quotas sharply, taking advantage of low inventories to bring its oil back to market. And now in 2026, OPEC must navigate its way through one of the most significant oil shocks in history, with a prolonged closure of the Strait of Hormuz.

OPEC-8 apparent production vs call on OPEC 2000 – 2026



Source: IEA Oil Market Report (August 2026 and prior); Guinness estimates

OPEC's actions in recent years have generally demonstrated a commitment to delivering a reasonable oil price to satisfy their own economies but also to incentivise investment in long-term projects. Saudi's actions at the head of OPEC have been designed to achieve an oil price that to some extent closes their fiscal deficit (c.\$90/bl is needed to close the gap fully), whilst not spiking the oil price too high and over-stimulating non-OPEC supply.

In the shorter term, the COVID-19 and Russia/Ukraine crises have created particularly challenging conditions, adding to oil price volatility. Longer-term, we believe that Saudi seek a 'good' oil price, one that satisfies their fiscal needs. Overall, we reiterate two important criteria for Saudi:

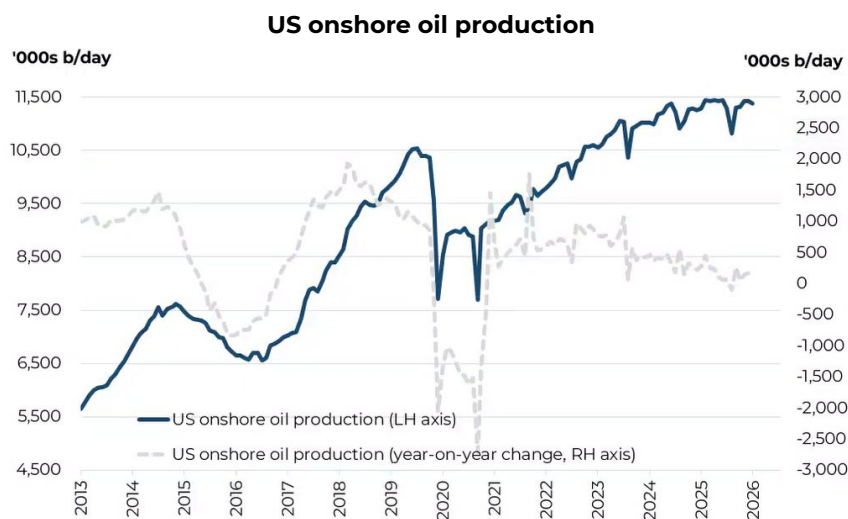
1. Saudi is interested in the average price of oil that they get; they have a longer investment horizon than most other market participants.
2. Saudi wants to maintain a balance between global oil supply and demand to maintain a price that is acceptable to both producers and consumers.

Nothing in the market in recent years has changed our view that OPEC can put a floor under the price – as they did in 2020, 2018, 2016, 2008, 2006, 2001 and 1998.

Supply looking forward

The non-OPEC world has, since the 2008 financial crisis, grown its production more meaningfully than in the period before 2008. The growth was 0.9% p.a. from 2001-2008, increasing to 1.7% p.a. from 2009-2025.

Growth in the non-OPEC region since the start of the last decade has been dominated by the development of shale oil and oil sands in North America (up around 8m b/day since 2010), implying that the rest of the non-OPEC region has seen limited growth over this period, despite the sustained high oil price until mid-2014.



Source: EIA; Guinness Global Investors, August 2026

The growth in US shale oil production, especially the Permian Basin, raises the question of how much more there is to come and at what price. Our assessment is that US shale oil is capital-intensive but some growth is viable, on average, at around \$70 oil prices. In particular, there appears to be ample inventory in the Permian Basin to maintain volumes into the late-2020s. The rate of development is heavily dependent on the cashflow available to producing companies, and the underlying cost of services to drill and fracture the wells. Since 2019, we have seen increased shareholder pressure successfully applied to US E&P companies to improve their capital discipline and to cut their reinvestment rates.

The collapse in oil prices at the start of 2020 to a level well below \$50/bl changed the landscape, with US E&P companies reducing capital spending further as they attempted to live within their cashflows. Shale oil production dropped by nearly 3m b/day in 2020 (peak to trough) and took nearly three years to recover to the previous peak of late 2019.

Non-OPEC supply growth outside the US has been sustained in recent years by a handful of major project additions, notably in Guyana and Brazil. Net growth remains sluggish, however, as much of the new oil has been required to offset natural declines in more mature basins.

Future demand

The IEA estimate that 2026 oil demand will be down by 1.5m b/day at 103.3m b/day, but still 2.6m b/day ahead of the 2019 pre-COVID peak. The IEA are forecasting demand to rebound by 2.4m b/day in 2027 to 105.7m b/day. This would take global oil demand to a new high, surpassing 2025 demand by around 1m b/day. We must note though that demand estimates are currently in flux, as the shortage of oil from the Middle East (US/Iran war) plays out.

In normal conditions, and post the COVID demand recovery, the world is settling back into annual oil demand growth of 0.5-1m b/day, led by increased use in the non-OECD region. China has been and continues to be a relevant – although no longer major – part of this growth and signs are emerging that India will also grow well.

The trajectory of global oil demand over the next few years will be a function of global GDP, the pace of the 'consumerisation' of developing economies, the development of alternative fuels, and price. At \$90/bl, the world oil bill as a percentage of GDP is around 2.9%, and this will still be a stimulant of further demand growth. If oil prices were in a higher range (say around \$115/bl, representing 3.8% of GDP), we would probably return to the pattern established over the past five years, with a flatter picture in the OECD more than offset by growth in the non-OECD area. Flatter OECD demand reflects improving oil efficiency over time, dampened by economic, population and vehicle growth. Within the non-OECD, population growth and rising oil use per capita will both play a significant part.

We keep a close eye on developments in the 'new energy' vehicle fleet (electric vehicles; hybrids etc). Sales of electric vehicles (pure electric and plug-in hybrid electrics) globally were around 22m in 2025, up from 17.5m in 2024. We expect to see strong EV sales growth again in 2026, up to around 25.5m, exceeding 28% of total global sales. Even applying an aggressive growth rate to EV sales, we see EVs comprising only around 15% of the global car fleet by the end of 2030. Looking further ahead, we expect the penetration of EVs to accelerate, causing global gasoline demand to peak at some point in the middle of the 2020s. However, owing to the weight of oil demand that comes from sources other than passenger vehicles (around 75%), which we expect to continue growing linked to GDP, we expect total oil demand not to peak until the early 2030s.

Conclusions about oil

The table below summarises our view by showing our oil price forecasts for WTI and Brent in 2026 versus recent history.

Average WTI & Brent yearly prices, and changes

																					Est
Oil price (\$/bl)	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
WTI	75	72	100	62	80	95	94	98	93	49	43	51	65	57	39	68	94	78	76	65	85
Brent	75	73	99	63	80	111	112	109	99	54	45	55	72	64	43	71	99	83	81	69	90
Brent/WTI average	75	73	99	62	80	103	103	103	96	51	44	53	68	61	41	70	97	80	78	67	88
Brent/WTI y-on-y change (%)	15%	-3%	37%	-37%	28%	29%	0%	0%	-7%	-47%	-13%	19%	29%	-11%	-32%	68%	39%	-17%	-2%	-14%	31%
Brent/WTI (5yr MAV)	51	59	72	75	78	83	89	90	97	91	80	70	63	55	53	58	67	70	73	78	82

Source: Guinness Global Investors estimates, Bloomberg, August 2026

We believe that Saudi's long-term objective remains to maintain a 'good' oil price, something north of \$80/bl. The world oil bill at around \$80/bl represents 2.7% of 2024 global GDP, lower than the thirty-year average level of around 3%.

ii) Natural gas market

US gas demand

On the demand side for the US, industrial gas demand and power generation gas demand (each about 25-35% of total US gas demand) are key. Commercial and residential demand, which make up a further quarter, have been fairly constant on average over the last decade – although yearly fluctuations due to the severity of winter weather can be marked.

US natural gas demand

Bcf/day	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026E
US natural gas demand:															
Residential/commercial	19.2	22.4	23.4	21.4	20.5	20.9	23.4	23.5	21.5	21.5	23.2	21.5	21.0	23.1	23.1
Power generation	24.9	22.3	22.3	26.5	27.3	25.3	29.0	30.9	31.7	30.9	33.1	35.3	36.7	35.8	36.6
Industrial	19.7	20.3	20.9	20.6	21.1	21.6	23.0	23.1	22.3	22.5	23.2	23.3	23.3	23.5	23.8
Pipeline exports (Mexico)	1.8	1.9	1.9	2.7	3.8	4.0	4.6	5.1	5.4	5.9	5.7	6.1	6.4	6.6	6.9
LNG exports	-	-	-	0.1	1.0	2.6	2.8	4.8	6.4	9.7	12.0	12.6	13.1	16.5	18.9
Pipeline/plant/other	6.1	6.7	6.3	6.5	6.4	6.5	7.0	7.8	7.7	7.8	7.4	8.2	7.9	7.9	8.3
Total demand	71.7	73.6	74.8	77.8	80.1	80.9	89.8	95.2	95.0	98.3	104.6	107.0	108.4	113.4	117.6
Demand growth	3.1	1.9	1.2	3.0	2.3	0.8	8.9	5.4	- 0.2	3.3	6.3	2.4	1.4	5.0	4.2

Source: EIA; GS; Guinness estimates, August 2026

Industrial demand (of which around 35% comes from petrochemicals) trends up and down depending on the strength of the economy and the differential between US and international gas prices. Electricity gas demand (i.e. power generation) is affected by weather, in particular by warm summers, which drive demand for air conditioning, but the underlying trend depends on GDP growth and the proportion of incremental new power generation each year that goes to natural gas versus the alternatives of coal, nuclear and renewables. Gas has been taking market share in this sector: in 2025 40% of electricity generation was powered by gas, up from 22% in 2007. The big loser here is coal, which has consistently given up market share.

Total gas demand in 2025 (including Mexican and LNG exports) was around 113.4 Bcf/day, up by 5.0 Bcf/day versus 2024 and ~18 Bcf/day higher than the pre-COVID level in 2019. The biggest contributor to the growth in demand in 2025 was LNG exports.

We expect US demand growth in 2026 of around 4.2 Bcf/day. Growth is expected to be driven by higher LNG exports and greater power generation demand. Beyond 2026, we expect to see a material increase in US LNG export capacity as higher international gas prices incentivise new LNG export investment. Proposed projects imply capacity growth of around 5-6 Bcf/day in 2026-2028, bringing total export capacity to over 20 Bcf/day by 2028.

US gas supply

Overall, whilst gas demand in the US has been strong over the past five years, it has been overshadowed by a rise in onshore supply, holding the gas price lower.

The supply side fundamentals for natural gas in the US are driven by three main moving parts: onshore and offshore domestic production, pipeline imports of gas from Canada, and LNG imports. Of these, onshore supply is the biggest component, making up over 90% of total supply.

US natural gas supply

Bcf/day	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026E
US natural gas supply:															
US (onshore & offshore)	65.7	66.3	70.9	74.2	73.4	73.6	84.3	91.4	91.1	91.8	97.4	102.5	101.8	106.5	110.6
Net imports (Canada)	5.4	5.0	4.9	4.9	5.5	5.8	5.4	4.7	4.4	5.1	5.6	5.2	5.8	5.8	5.7
LNG imports & other	0.8	0.6	0.5	0.5	0.4	0.3	0.1	0.1	-	-	0.1	-	0.6	0.6	0.9
Total supply	71.9	71.9	76.3	79.6	79.3	79.7	89.8	96.2	95.5	96.9	103.1	107.7	108.2	112.9	117.2
Supply growth	2.4	-	4.4	3.3	- 0.3	0.4	10.1	6.4	- 0.7	1.4	6.2	4.6	0.5	4.7	4.3
(Supply)/demand balance	- 0.2	1.7	- 1.5	- 1.8	0.8	1.2	-	- 1.0	- 0.5	1.4	1.5	- 0.7	0.2	0.5	0.4

Source: EIA; GS; Guinness estimates, August 2026

Since 2010, the weaker gas price in the US reflects growing onshore US production driven by rising shale gas and associated gas production (a by-product of growing onshore US oil production). Interestingly, the overall rise in onshore production has come despite a collapse in the number of rigs drilling for gas, which has dropped from a 1,606 peak in September 2008 to a trough of 68 in July 2020, before recovering to 134 at the end of March 2026. However, offsetting the fall, the average productivity per rig has risen dramatically since 2020 as producers focus their attention on the most prolific shale basins, whilst associated gas from oil production has grown handsomely.

The outlook for gas production in the US depends on three key factors: the rise of associated gas (gas produced from wells classified as oil wells); expansion of the newer shale basins, principally the Marcellus/Utica, and the decline profile of legacy gas fields.

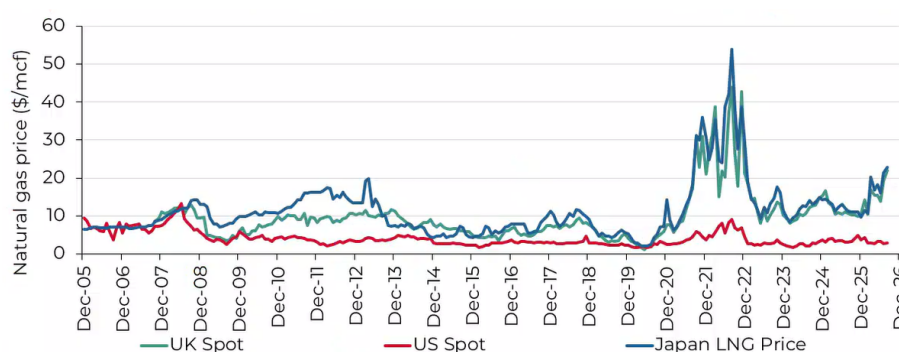
Associated gas production is expected to rise again in 2026 albeit at a slower pace (around 1 Bcf/day) than in 2022 (+5.5 Bcf/day) and 2023 (+3.6 Bcf/day). Lower supply growth is expected from onshore properties as weaker natural gas prices have brought a lower rig count and lower investment.

Outlook for US LNG exports – global gas arbitrage

In the short-term we have seen a spike in LNG prices, a response to Qatari natural gas being shut in behind the Strait of Hormuz. We expect the LNG market is going to be quite finely balanced over the next couple of years. In the event of moderate Chinese LNG demand and “normal” European winters, LNG supply and demand appear to be roughly in balance and global LNG prices appear to be fairly priced at around \$10/Mcf. However, stronger Asian demand (including South Korea and Japan as well as China) or a colder than expected European winter could easily see LNG in tight supply and cause international gas prices spike, although it is unlikely that they revert to the \$40-\$50 levels seen in winter 2022-23.

Looking further ahead, we see international gas prices settling in a \$9-\$11/Mcf range. This price range should be sufficient to incentivise new US LNG supply to come online. It would also allow Europe to displace permanently almost all its Russian gas imports. An international gas price in the \$9-11/Mcf is well down on the highs seen in 2022, but would leave the market at a higher price point than that seen in the few years prior to COVID and the Russian invasion of Ukraine.

Global gas prices

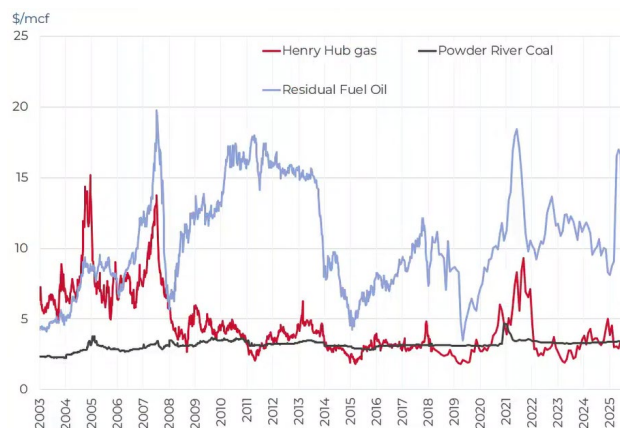


Source: Bloomberg; Guinness Global Investors, August 2026

Relationship with oil and coal

The following chart of the front month US natural gas price against heating oil (No 2), residual fuel oil (No 6) and coal (Sandy Barge adjusted for transport and environmental costs) seeks to illustrate how coal and residual fuel oil switching provide a floor and heating oil a ceiling to the natural gas price. When the gas price has traded below the coal price support level (2012 and 2016), resulting coal-to-gas switching for power generation was significant.

Natural gas versus substitutes (fuel oil and coal) - Henry Hub vs residual fuel oil, heating oil, Sandy Barge (adjusted) and Powder River coal (adjusted)



Source: Bloomberg; Guinness Global Investors, August 2026

Conclusions about US natural gas

The US natural gas price since 2010 has mainly fluctuated between \$2 and \$4/Mcf. The extremes of this range have tended to coincide with warm and cold winters, and any sustained recovery over \$3.50/Mcf has generally been muted by strength in gas supply. With inflationary pressures, we estimate that new onshore supply has an incentive price of around \$3.50/Mcf. Assuming normal weather in 2026, we expect a Henry Hub price at around this level.

APPENDIX: Oil and gas markets historical context

Oil price (WTI \$) since 1989



Source: Bloomberg, August 2026

For the oil market, the period since the Iraq/Kuwait war (1990/91) can be divided into four distinct periods:

1990-1998: broadly characterized by decline. The oil price steadily weakened 1991 – 1993, rallied between 1994 – 1996, and then sold off sharply, to test 20-year lows in late 1998. This latter decline was partly induced by a sharp contraction in demand growth from Asia, associated with the Asian crisis, partly by a rapid recovery in Iraq exports after the UN Oil for food deal, and partly by a perceived lack of discipline at OPEC in coping with these developments.

1998-2014: a much stronger price and upward trend. There was a very strong rally between 1999 and 2000 as OPEC implemented 4m b/day of production cuts. It was followed by a period of weakness caused by the rollback of these cuts, coinciding with the world economic slowdown, which reduced demand growth and a recovery in Russian exports from depressed levels in the mid 90's that increased supply. OPEC responded rapidly to this during 2001 and reintroduced production cuts that stabilized the market relatively quickly by the end of 2001.

Then, in late 2002 early 2003, war in Iraq and a general strike in Venezuela caused the price to spike upward. This was quickly followed by a sharp sell-off due to the swift capture of Iraq's Southern oil fields by Allied Forces and expectation that they would win easily. Then higher prices were generated when the anticipated recovery in Iraq production was slow to materialise. This was in mid to end 2003 followed by a much more normal phase with positive factors (China demand; Venezuelan production difficulties; strong world economy) balanced against negative ones (Iraq back to 2.5 m b/day; 2Q seasonal demand weakness) with stock levels and speculative activity needing to be monitored closely. OPEC's management skills appeared likely to be the critical determinant in this environment.

By mid-2004 the market had become unsettled by the deteriorating security situation in Iraq and Saudi Arabia and increasingly impressed by the regular upgrades in IEA forecasts of near record world oil demand growth in 2004 caused by a triple demand shock from strong demand simultaneously from China; the developed world (esp. USA) and Asia ex China. Higher production by OPEC has been one response and there was for a period some worry that this, if not curbed, together with demand and supply responses to higher prices, would cause an oil price sell off. Offsetting this has been an opposite worry that non-OPEC production could be within a decade of peaking; a growing view that OPEC would defend \$50 oil vigorously; upwards pressure on inventory levels from a move from JIT (just in time) to JIC (just in **case**); and pressure on futures markets from commodity fund investors.

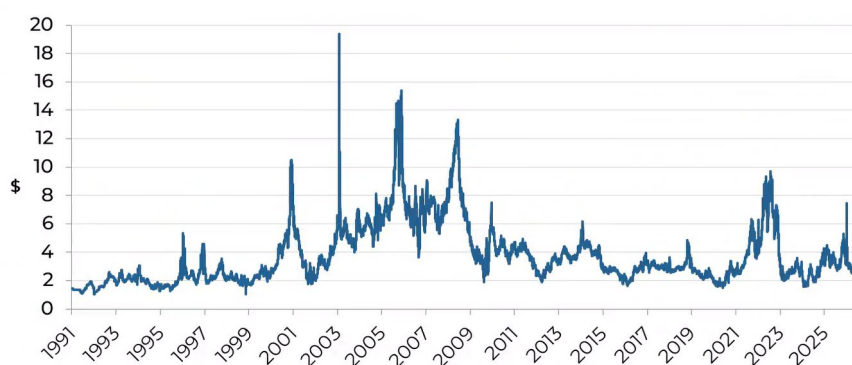
Continued expectations of a supply crunch by the end of the decade, coupled with increased speculative activity in oil markets, contributed to the oil price **surging** past \$90 in the final months of 2007 and as high as \$147 by the middle of 2008. This spike was brought to an abrupt end by the collapse of Lehman Brothers and the financial crisis and recession that followed, all of which contributed to the oil price falling back by early 2009 to just above \$30. OPEC responded decisively and reduced output, helping the price to recover in 2009 and stabilise in the \$70-95 range where it remained for two years.

Prices during 2011-2014 moved higher, averaging around \$100, though WTI generally traded lower than Brent oil benchmarks due to US domestic oversupply affecting WTI. During this period, US unconventional oil supply grew strongly, but was offset by the pressures of rising non-OECD demand and supply tensions in the Middle East/North Africa.

2014-2020: a further downcycle in oil. Ten years of high prices leading up to 2014 catalysed a wall of new non-OPEC supply, sufficient that OPEC saw no choice but to stop supporting price and re-set the investment cycle. Oil prices found a bottom in 2016 (as a result of OPEC and non-OPEC partners cutting production again), but its recovery was capped by the volume of new supply still coming into the market from projects sanctioned pre the 2014 price crash. Average prices were pinned 2017-19 in the \$50-70/bl range, with prices at the top end of this range stimulating oversupply from US shale. The alliance between OPEC and non-OPEC partners fell apart briefly in March 2020 and, coupled with an unprecedented collapse in demand owing to the COVID-19 crisis, oil prices dropped back below \$30/bl, before recovering to around \$50/bl by the end of 2020 thanks to renewed OPEC+ action.

2021 onwards: The period since 2021 has been characterised by a reasonable well supplied oil market, overlaid with two significant energy shocks that have reinforced volatility and the importance of geopolitical risk. The first major shock came in 2022 with Russia's invasion of Ukraine. This event triggered a sharp repricing of oil, with prices moving above \$100/bl as sanctions and trade **dislocations** disrupted established flows. The market was forced to rapidly reconfigure, with Russian crude redirected to new buyers and global inventories drawn down. The second shock emerged more recently with escalating conflict in the Middle East. Given the region's central role in global supply and spare capacity, the situation has heightened concerns around potential disruptions to key export routes and production hubs.

North American gas price since 1991 (Henry Hub \$/Mcf)



Source: Bloomberg, August 2026

With regard to the US natural gas market, the price traded between \$1.50 and \$3/Mcf for the period 1991 - 1999. The 2000s were a more volatile period for the gas price, with several spikes over \$8/Mcf, but each lasting less than 12 months. On each occasion, the price spike induced a spurt of drilling which brought the price back down. Excepting these spikes, from 2004 to 2008, the price generally traded in the \$5-8 range. Since 2008, the price has averaged below \$4 as progress achieved in 2007-8 in developing shale plays boosted supply while the 2008-09 recession cut demand. Demand has been extremely strong over the last decade but this has been outpaced by continued growth in onshore production, driven by the prolific Marcellus/Utica field and associated gas as a by-product of shale oil production.

North American gas prices are important to many E&P companies. In the short term, they do not necessarily move in line with the oil price, as the gas market is essentially a local one. (In theory 6 Mcf of gas is equivalent to 1 barrel of oil so \$60 per barrel equals \$10/Mcf gas). It remains a regional market more than a global market, though the development of the LNG industry is creating a greater linkage.

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GUINNESS GLOBAL ENERGY FUND

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