

RISK

This is a marketing communication. Please refer to the Prospectus, Supplement, KIDs and KIIDs for the Funds (available on our website), which contain detailed information on their characteristics and objectives and 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 movements, and you may not get back the amount originally invested. The Funds invest at least 80% in companies in the sustainable energy sector and can be volatile. Past performance does not predict future returns.

The Guinness Sustainable Energy Funds are managed for capital growth and invest in companies involved in the generation, storage, efficiency and consumption of sustainable energy sources (such as solar, wind, hydro, geothermal, biofuels and biomass). We believe that over the next 20 years the sustainable energy sector will benefit from demand growth, improving economics and both public and private support, offering attractive investment opportunities. The Funds are actively managed and use the MSCI World Index as a comparator benchmark only.

ABOUT THE STRATEGY

Launch	19.12.2007
Index	MSCI World
Sector	IA Commodity/Natural Resources
Managers	Will Riley Jonathan Waghorn Jordan Patel Jamie Melrose
EU Domiciled	Guinness Sustainable Energy Fund Guinness Sustainable Energy UCITS ETF
UK Domiciled	WS Guinness Sustainable Energy Fund

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COMMENTARY

Q3 IN REVIEW FOR SUSTAINABLE ENERGY

Rising interest rates drove weaker third-quarter performance for the sustainable energy sector. This month we review the project economics of sustainable energy, finding that wind and solar are likely to remain cost leaders despite an environment of higher interest rates. We therefore view our portfolio as presenting a compelling opportunity for investors to access earnings growth comparable to that of the MSCI World Index at a valuation discount, whilst offering diversification away from mega-cap tech.

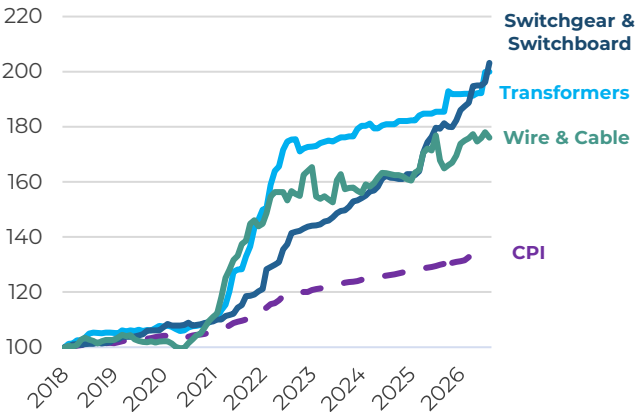
EQUITIES

The Guinness Sustainable Energy Fund (Class Y) returned -3.5% in USD in September, underperforming the MSCI World Index, which returned -1.2%. Eaton, Amphenol and NXP Semiconductor, all Electrification names exposed to AI, were the Fund's top performers as they recovered from a weaker August despite calls from AI bosses for a slowdown in model development. Solar glass manufacturer Xinyi Solar and US solar panel leader First Solar were amongst the Fund's weakest performers as investors pivoted out of the solar industry over fears of the impact of higher interest rates.

CHART OF THE MONTH: 'GRIDFLATION'

The build-out of renewables must be accompanied by grid expansion to allow integration and prevent curtailment. However, prices of grid equipment have risen faster than the US Consumer Price Index as a result of substantial demand, higher copper prices and transformer manufacturing capacity constraints.

Producer price index for grid equipment
(rebased to 100 on 01/01/2018)



Source: JPMorgan, St Louis Fed, Guinness Global Investors, Sept 2026

SEPTEMBER NEWS AND EVENTS IN REVIEW

In this section, we review the key news items and their impact on our various portfolio sub-sectors over the last month.

News	Sub-Sector	Impact
Governments around the world have widened their use of fuel subsidies to protect households and businesses from the energy price shock. According to Financial Times analysis of data from the International Energy Agency (IEA), the number of countries offering direct fuel subsidies more than doubled from 16 to 38 in the four months to early September, while the number offering any form of consumer energy support rose from 56 to 94. The IEA reports that 25 countries have announced new electrification policies since February, the European Commission has set an indicative target for electricity to supply 46% of EU energy use by 2040, and in the UK, newly appointed energy secretary Miatta Fahnbulleh has called for the country to "electrify now".	Energy shock response	
Disruptions to global energy supplies and constrained refining capacity have helped drive US diesel and gasoline prices above \$6 and \$4 per gallon respectively. At the same time, in Rotterdam, rising marine gasoil prices surpassed those of biofuel alternatives. To combat the cost-of-living impact of rising prices, President Trump is considering following Russia by banning the export of diesel from the United States. The majority of US diesel flows into Mexico, Europe and the UK, with a potential export ban consequently placing upward pressure on European fuel prices. As Europeans feel the effect of rising fuel costs, electric vehicles are increasing in popularity, helped by subsidy schemes. EV sales in the European Union grew 36% year-on-year in September, with France reaching a record 41% sales penetration.	Diesel disruption	
Geothermal company Fervo Energy, which recently had its IPO, announced the largest enhanced geothermal system (EGS) power purchase agreement to date, with Google signing an agreement for 396MW of baseload power. First power generation is expected in 2028 after improvements in drilling techniques and the success of two prior pilot schemes have continue to make EGS's case as a future power source. Unlike conventional geothermal, EGS is not location-constrained. At current costs, it is not price competitive with renewables and gas generation, but with standardised designs and continued drilling improvement, Fervo hopes to reduce capital costs to below \$3,000/kW – similar to those of current gas turbines. Hyperscalers continue to look favourably on geothermal energy and are prepared to pay a premium for baseload generation.	Geothermal Power	
Despite being hailed as the solution to all energy needs, experts in nuclear fusion have highlighted this month that the commercial readiness of the future electricity generation source is still a long way off. The sector has attracted large investment from Silicon Valley, including \$3.8bn in private funding in the first eight months of 2026. However, the chief scientist of ITER (International Thermonuclear Experimental Reactor) argued that no plant will be connected to the grid within five to 10 years, and Princeton University expert Steven Cowley went further, saying he expects the first pilot plant producing net electricity only in the late 2030s, with commercial plants around 2050.	Nuclear fusion development	
Techniques used to anchor oil and gas drill rigs in deep water are being applied to expand the deployment of offshore wind. The majority of global wind resource lies in waters out of depth for fixed-base turbines. The technology is employed by less than 1% of the 91GW of offshore wind running today, but it accounts for 22% of the future pipeline, at nearly 200GW announced. Cost remains the largest hurdle, with floating projects remaining two to four times more expensive than fixed, even in cost leader nation China.	Offshore Wind	

MANAGERS' COMMENTS

Review of 3Q 2026

Sustainable energy equities were weaker in the third quarter of 2026 as rising interest rates led to a rotation away from growth stocks and into value names, weighing on sector performance. This month we revisit renewable project economics and conclude that solar and wind are likely to remain cheaper than fossil fuel power generation even in a higher-rate environment. The pull-back in the sector leaves the Guinness Sustainable Energy Fund offering comparable earnings growth to the MSCI World at a valuation discount, whilst offering investors a route to diversify their exposure away from mega-cap tech.

In a weak quarter for sustainable energy equities, the Guinness Sustainable Energy Fund defended reasonably well, falling by 8.1%, but still underperformed the benchmark MSCI World Index (+1.9%).

Rising interest rate expectations were a key driver of sector underperformance. Over the first half of the year, rising government debt, sticky inflation and energy price uncertainty caused expectations for the Federal Reserve's next move to flip from a cut to a hike. This was borne out in September, when the Federal Open Market Committee voted unanimously to raise the Federal Funds target range by 25 basis points (bps) to 3.75-4.00%, the first increase since 2023. Longer-dated yields rose further still: the 10-year Treasury yield climbed by around 75bps from around 4.50% at the end of June to over 5.25% at the end of September, its highest level since 2002, weighing on sentiment towards more rate-sensitive stocks.



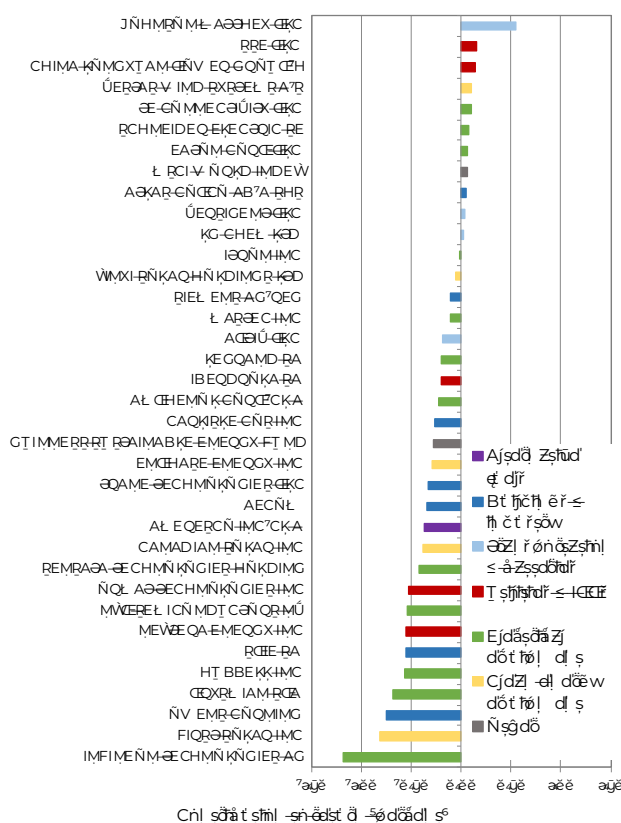
Source: Bloomberg. Data as of 30th September 2026

The **market rotation** in the third quarter benefited sectors such as oil and gas (+15.4%) and telecoms (+3.8%), at the expense of more interest-rate sensitive sectors which the Fund is exposed to, such as industrials (-5.6%) and utilities (-9.3%).

The third quarter also saw **underperformance from companies exposed to AI and data centres**. The Goldman Sachs data centre index (GSTMTDAT), a basket of hardware stocks associated with the data centre theme, fell 15.2% over the quarter, while the Philadelphia Semiconductor Index (SOX) fell 11.2%. The Fund is less exposed to AI than many of its peers, but it does own several electrical equipment manufacturers with material direct exposure such as **Amphenol** (c.40–50% sales) and **Legrand** (c.30% sales). It also holds US utilities and independent power producers (IPPs) that benefit indirectly from rising power demand and higher power prices such as **NextEra Energy** and **Ormat**.

Analysis of 3Q 2026 individual stock contribution

3Q 2026 contribution for Guinness Sustainable Energy Fund



The Guinness Sustainable Energy Fund's performance reflected the factor, sector, and thematic rotations seen over the quarter. Key discussion points were as follows:

After a strong first half, **electrical equipment** names were mixed. **Prysmian** (-15.7%) and **Amphenol** (-4.2%) posted strong gains in the second quarter's AI rally but gave some back in the third quarter's AI sell-off. Importantly, fundamentals remain strong, with Prysmian reporting its highest-ever quarterly EBITDA (earnings before interest, taxation, depreciation and amortisation). It also raised 2026 EBITDA guidance and made a \$3.8bn all-cash offer to acquire US cable conduit company Atkore, which we view positively. At the same time, Amphenol reported a broad-based beat across nearly every end market, record orders of \$10.7bn, and raised 3Q earnings guidance c.10% higher than consensus estimates. Meanwhile, **Hubbell** (-13.0%) shares were weak as concerns over decelerating utility growth outweighed upgraded earnings guidance. More constructively, names with more modest returns in the second quarter offered stronger performance in the third quarter with **TE Connectivity** (+5.1%), **Schneider Electric** (+1.6%) and **Eaton** (+1.1%) all delivering positive returns.

A similar trend was seen in our **power semiconductor** holdings. **Infineon** (-27.6%) reported record quarterly revenue, with sequential growth across all divisions, but sold off with the broader semiconductor sector after its shares more than doubled in the second quarter. **NXP Semi** also gave back some of its earlier gains, falling 15.1% in the third quarter after rising 43.2% in the second, even though results were broadly in line and forward-looking demand indicators were improving quarter-on-quarter.

Within **clean energy equipment**, solar stocks were an additional source of drag, with **Enphase** (-33.0%), **Canadian Solar** (-28.1%) and **First Solar** (-25.8%) all falling back from their early-June highs. Higher rates, reduced policy support and the sell-off in semiconductors weighed on all three. First Solar benefited from a favourable Section 232 polysilicon tariff ruling, but Enphase and Canadian Solar posted mixed results, reflecting continued softness in US residential solar demand and uncertainty over module pricing respectively. In contrast, **Vestas** (+5.5%) reported a stellar quarter, with strong margins in both onshore and offshore wind and a 67% increase in orders, allowing it to raise its 2026 outlook and announce a €400m buyback.

Within **utilities & IPPs**, US-exposed names were caught up in the AI sell-off and underperformed their international counterparts. **Ormat** fell 15.9% as investors questioned the sustainability of its storage revenue under a slower data centre build-out, and **NextEra** fell 13.7% as it seeks a regulatory path for its \$67bn acquisition of Dominion Energy. In contrast, **SSE** (+4.3%) and **China Longyuan** (+7.9%) were among the strongest performers, helped by greater clarity on future UK transmission spending and faster collection of clean energy subsidies in China respectively.

Higher rates weighed on **building efficiency** names as the outlook for construction and renovation activity remained weak. US mortgage rates rose sharply, from around 6.5% to over 7.2%, reversing a three-year downward trend and weighing on housing affordability. **Owens Corning** (-26.1%) gave back some of the premium that had built up following reports of an unsolicited takeover offer from **Carlisle**, while **AECOM** (-15.2%) reported a one-off charge on a legacy project and lowered its full-year guidance.

Within our **transportation** names, **Johnson Matthey** (+15.2%) performed strongly after completing the sale of its Catalyst Technologies division to Honeywell for £1.325bn and returning £800m to shareholders via a special dividend.

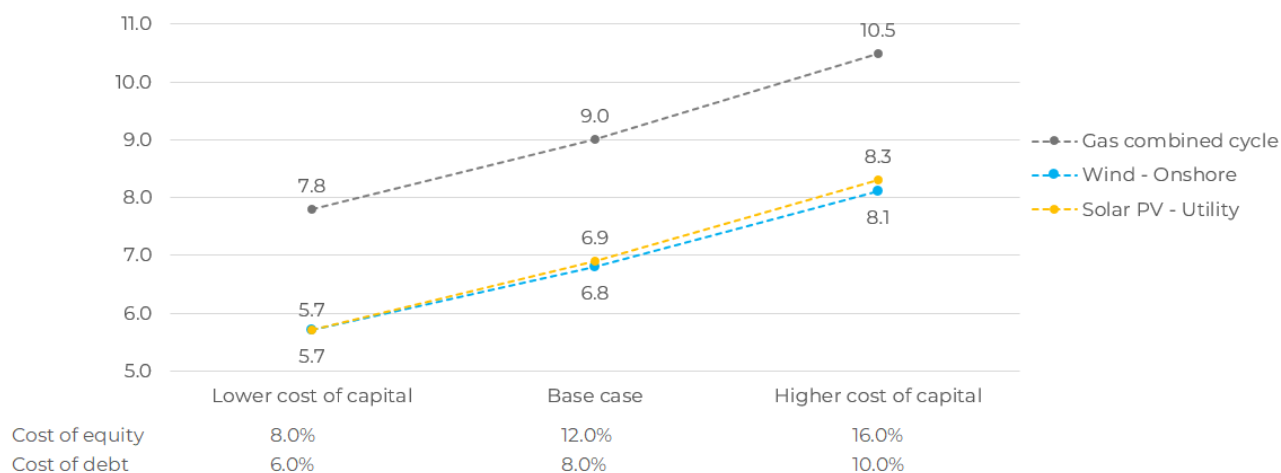
Renewable economics remain compelling under higher rates

When interest rates rise, attention in the sustainable energy sector often turns to the relative economics of renewable power versus fossil fuel alternatives. Compared with fossil fuel power, wind and solar projects incur a larger proportion of their lifetime costs up-front as capital expenditure, with a lower share spent on operating costs over the plant's useful life. Lazard analysis suggests that capital costs make up 85-90% of the levelised cost of electricity (LCOE) for a utility solar or onshore wind project compared to 50-70% for combined-cycle gas. As a result, wind and solar project economics are more sensitive to interest rate increases and up-front capital cost inflation, while fossil fuel projects are more sensitive to long-term fossil fuel price assumptions.

Despite the sharp rise in interest rates between 2020 and 2025, **wind and solar economics remain attractive** on a levelised cost basis. The International Renewable Energy Agency's (IRENA) Renewable Power Generation Costs report suggests that the **global** levelised cost of electricity for onshore wind and solar was 3-4 cents per kilowatt hour in 2025, down by around 70% and 90% respectively since 2010, with further improvements expected out to 2030. By comparison, the cost of new fossil fuel-fired generation has been rising, with a shortage of gas turbines contributing to a near doubling of the capital cost of building a new combined cycle plant. As a result, more than 90% of utility-scale renewable projects commissioned in 2025 were cheaper than the lowest-cost fossil fuel alternative.

Even in the **United States**, which benefits from abundant cheap natural gas and some of the highest renewable equipment costs in the world (30-35c/W for US solar panels vs 10-15c/W internationally), data from Lazard's July 2026 Levelized Cost of Energy Analysis shows that **renewables remain competitive in a high-cost-of-capital environment**. Even at the top of its cost of capital sensitivity range (10% cost of debt, 16% cost of equity), onshore wind and utility-scale solar remain the lowest-cost sources of new-build energy in the US on an unsubsidised basis, at around 8-9c per kilowatt hour compared with around 10-11c for combined cycle gas.

Levelized cost of energy (US cents per kWh) comparison – sensitivity to cost of capital



Source: Lazard, Guinness Global Investors. Data as of 30th September 2026

However, as we have previously highlighted, **cost per kWh is no longer the only consideration**. Grid operators increasingly need flexible capacity that can ramp up and down at short notice (gas peakers, batteries, interconnectors). Data centres need resources with a fast time-to-power (renewables, storage, fuel cells). Policymakers worldwide are seeking to improve energy security by reducing reliance on fossil fuel imports (renewables, nuclear). No single technology meets all of these needs, but we believe renewables plus storage offers a versatile solution to many of them.

Battery storage can be used to help firm the intermittency of renewable output. We estimate that adding battery storage to new clean energy projects generally adds between 1-5c/kWh to the project's LCOE. Even in the US, which benefits from low domestic gas prices, renewables plus storage offer LCOEs that are competitive with combined cycle gas whilst also benefiting from a faster time to power.

Furthermore, we see evidence that **returns on US renewable projects are improving**. Although the cost of capital has risen, LevelTen data suggests that North American clean energy power purchase agreement (PPA) prices have more than doubled, from around \$30/MWh in 2020 to over \$70/MWh in 2026. Goldman Sachs believes that this better pricing has translated into higher returns for US renewables, with after-tax project internal rates of return (IRRs) rising from 5-6% at the 2018-2020 lows to 10-11% in 2026. Against a backdrop of rising US power demand, reduced competition from oil majors and data centre customers willing to pay higher power prices, the United States continues to provide a supportive environment for clean energy generators.

Fund now trades at a lower multiple, for higher earnings growth

even though three-year forward consensus earnings growth has been upgraded from around 15% to around 17% per annum, broadly in line with the MSCI World. The driver has been multiple compression: the Fund's 12-month forward P/E fell from 18.7x at the end of June 2026 to 16.4x at the end of September 2026. We conclude that the sector pull-back over the quarter was driven by valuation, not earnings, leaving the Fund with improved growth prospects at a lower valuation than three months ago.

Guinness Sustainable Energy Fund P/E premium / discount versus MSCI World (12-month forward)



Source: Bloomberg, Guinness Global Investors. Data as at 30th September 2026

We believe that companies exposed to the energy transition themes below should deliver faster long-term earnings growth than the broader market, which should translate into long-term share price outperformance. The Guinness Sustainable Energy Fund provides concentrated exposure to these themes, trades at a valuation discount to the MSCI World, and offers investors a way to diversify growth-oriented allocations of their portfolios away from mega-cap tech.

Key themes in the Guinness Sustainable Energy Fund

Theme	Example holdings	Weighting (%)
1 Electrification of energy demand	 	25.6%
2 Modernising the power grid	 	12.7%
3 Rise of the electric vehicle and auto efficiency	 	12.0%
4 Power semiconductors	 	6.8%
5 Wind & solar equipment manufacturing	 	7.9%
6 Low carbon power generation: regulated producers	 	12.6%
7 Low carbon power generation: independent producers	 	6.3%
8 Building and industrial efficiency	 	14.1%
9 Other (inc cash)		1.9%

Source: Guinness Global Investors. Data as of 30th September 2026

PERFORMANCE

Past performance does not predict future returns.

The **Guinness Sustainable Energy Fund** (Class Y, 0.74% OCF) delivered a return of -3.5% in the month, while the MSCI World Index (net return) delivered -1.2% (all in USD terms).

Guinness Sustainable Energy Fund	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs*
Fund (Class Y)	5.3%	7.8%	27.7%	5.4%	158.5%
MSCI World NR Index	11.8%	15.2%	78.9%	75.4%	233.8%
Out/Underperformance	-6.5%	-7.5%	-51.3%	-70.0%	-75.4%

	2025	2024	2023	2022	2021
Fund (Class Y)	26.9%	-11.8%	-0.4%	-12.5%	10.4%
MSCI World NR Index	21.1%	18.7%	23.8%	-18.1%	21.8%
Out/Underperformance	5.8%	-30.4%	-24.2%	5.6%	-11.4%

	2020	2019	2018*	2017*	2016*
Fund (Class Y)	84.1%	31.4%	-15.2%	20.2%	-15.4%
MSCI World NR Index	15.9%	27.7%	-8.7%	22.4%	7.5%
Out/Underperformance	68.2%	3.7%	-6.5%	-2.2%	-23.0%

The Fund was launched on 19.12.2007. *Simulated past performance prior to the launch of the Y class on 16/02/2018. The Performance shown is a composite simulation for Y class performance being based on the actual performance of the Fund's E class, which has an OCF of 1.24%. On 31/12/2018, the benchmark became the MSCI World NR. Prior to this, the benchmark was the Wilderhill Clean Energy Index (ECO Index).

The **WS Guinness Sustainable Energy Fund** (Class Y, 0.67% OCF) delivered a return of -0.6% in the month in GBP, while the MSCI World Index (net return) delivered 0.9%.

WS Guinness Sustainable Energy Fund	YTD	1 Yr	3 Yrs
Fund (Class Y, 0.67% OCF)	6.4%	9.6%	18.3%
MSCI World NR Index	13.2%	16.8%	64.4%
Out/Underperformance	-6.8%	-7.2%	-46.1%

	2025	2024	2023
Fund (Class Y, 0.67% OCF)	18.5%	-10.4%	-5.8%
MSCI World NR Index	12.8%	20.8%	16.8%
Out/Underperformance	5.7%	-31.2%	-22.6%

The Fund was launched on 30.12.2022.

The **Guinness Sustainable Energy UCITS ETF**, under our management since 25 July 2024, delivered a return of -2.7% in the month in USD, while the MSCI World Index (net return) delivered -1.2% (all in USD terms).

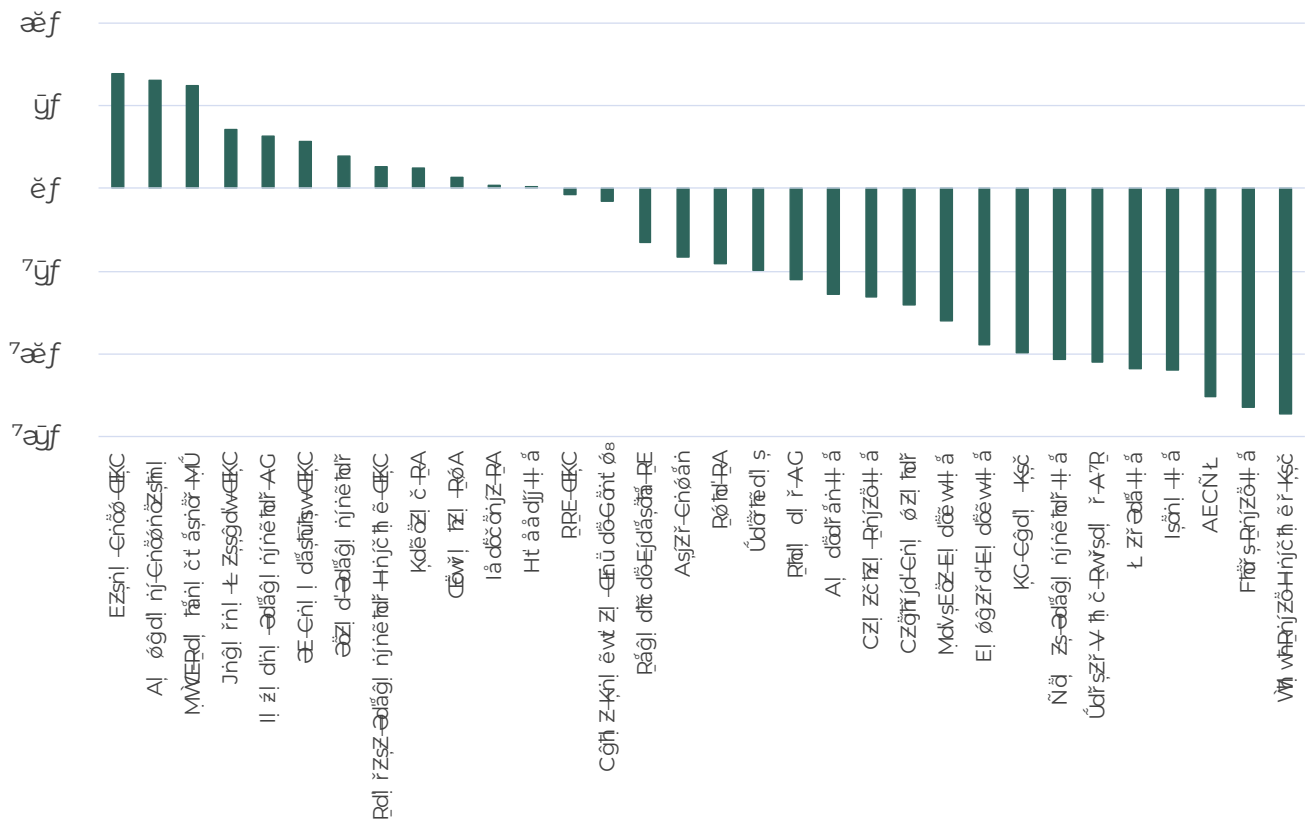
Total return in USD	YTD	1 Yr
Fund (Class A Acc, 0.65% OCF)	5.1%	7.2%
MSCI World NR Index	11.8%	15.2%
Out/Underperformance	-6.7%	-8.0%

	2025
Fund (Class A Acc, 0.65% OCF)	26.3%
MSCI World NR Index	21.1%
Out/Underperformance	5.2%

Data as of 30.09.2026. Source: FE fundinfo, bid to bid, total return net of fees. Investors should note that fees and expenses are charged to the capital of the Funds. This reduces the return on your investment by an amount equivalent to the Ongoing Charges Figure (OCF). The performance shown has been reduced by the current OCF shown. Returns for share classes with different OCFs will vary accordingly. Transaction costs also apply and are incurred when a Fund buys or sells holdings.

Within the Fund, the strongest performers were Eaton Corp PLC, Amphenol Corporation, NXP Semiconductors NV, Johnson Matthey PLC and Infineon Technologies AG while the weakest performers were Owens Corning, Xinyi Solar Holdings Ltd, First Solar Inc, AECOM and Itron Inc.

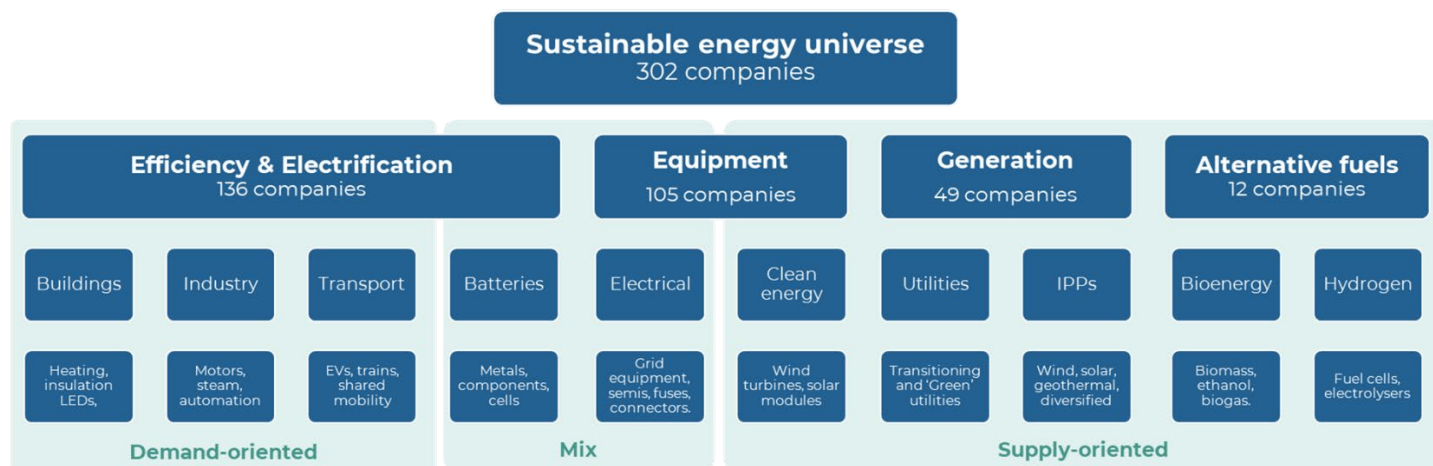
Stock by Stock performance over the month in USD



Source: Bloomberg. Data as of 30th September 2026

PORTFOLIO

The Guinness Sustainable Energy Fund is positioned to benefit from many of the long-term themes associated with the transition towards a lower-carbon economy and of sustainable energy generation via investment in companies with activities that are economic with limited or zero government subsidy and which are profitable. We do not limit ourselves to 'pure plays', opening our universe to some companies with existing hydrocarbon-based fuel exposure, but this must be accompanied by a commitment to transitioning their business models towards sustainable energy sources. Our investment universe comprises around 300 companies which are classified as follows:



Source: Guinness Global Investors; data as of January 2026

We monitor each of the industry areas very closely and hope that detailed top-down (macro) analysis of each (complemented with disciplined equity screening and stock valuation work) will allow us to deliver attractive fund performance via a broadly equally weighted portfolio of 30 stocks. The portfolio is designed to create a balance between maintaining fund concentration and managing stock-specific risk.

Guinness Global Investors is a signatory of the United Nations Principles for Responsible Investment. The Guinness Sustainable Energy Fund prioritises returns whilst delivering concentrated exposure to companies playing a key role in global decarbonisation. The Fund's holdings align most closely with four of the UN's sustainable development goals:

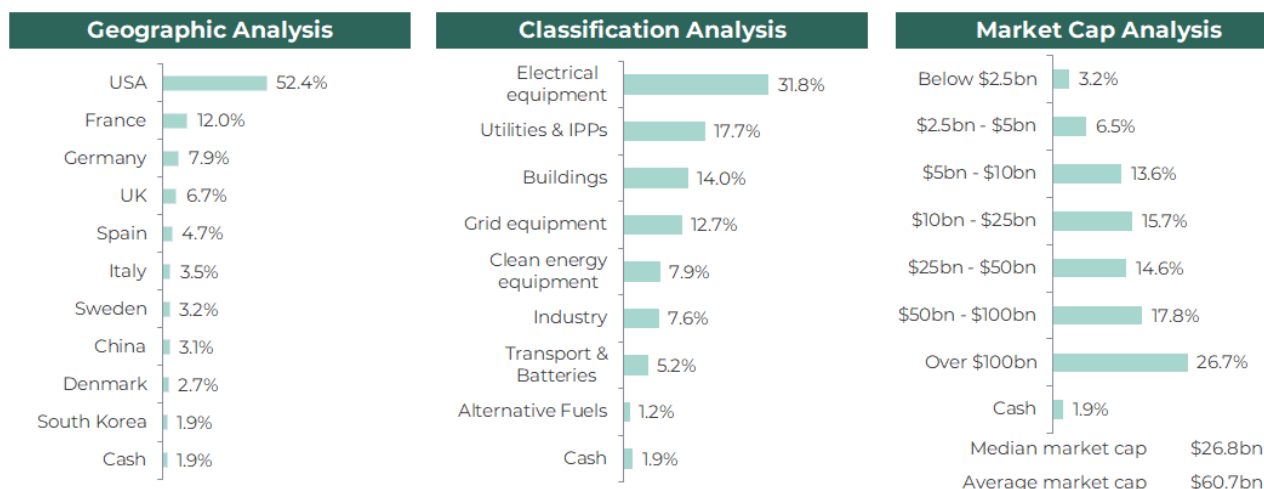
Signatory of:



Buys/Sells

The Fund purchased shares in MasTec Inc in September. MasTec is a leading engineering, procurement and construction company exposed to clean energy and grid infrastructure investment while benefiting from the datacentre build-out. With all four operating segments in potential upcycles, in MasTec the Fund has added a quality business, on a comparatively cheap multiple versus its history, with compelling earnings growth driven by structural themes.

Portfolio structure analysis



Data as of 30.09.2026. Source: Guinness Global Investors. Portfolio holdings are subject to change.

Portfolio sector breakdown

The following table shows the asset allocation of the Fund at 30 September and at previous year ends.

Asset allocation as %NAV	Current	Change	Year end			Previous year ends			
	Sep-26		Dec-25	Dec-24	Dec-23	Dec-22	Dec-21	Dec-20	Dec-19
Electrical equipment	31.8%	3.1%	28.7%	26.8%	25.1%	20.3%	19.0%	10.0%	9.6%
Buildings	14.0%	-1.4%	15.4%	14.8%	9.6%	7.7%	4.2%	3.7%	10.2%
Utilities & IPPs	17.7%	2.3%	15.5%	20.5%	19.5%	17.7%	23.1%	24.6%	22.2%
Grid equipment	12.7%	2.1%	10.6%	9.0%	7.6%	7.3%	6.6%	6.1%	5.5%
Clean energy equipment	7.9%	-2.9%	10.8%	10.3%	15.8%	19.7%	18.7%	28.8%	23.5%
Transport & Batteries	5.2%	-3.6%	8.9%	11.3%	16.4%	18.5%	19.5%	20.4%	21.7%
Industry	7.6%	0.5%	7.0%	4.8%	0.0%	0.0%	0.0%	0.0%	0.0%
Alternative Fuels	1.2%	-0.5%	1.7%	1.8%	1.8%	3.0%	3.7%	3.6%	3.2%
Cash	1.9%	0.4%	1.5%	0.7%	4.2%	5.8%	5.3%	3.0%	4.2%
Total	100.0%		100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Guinness Global Investors

Valuation

At the month's end, the Guinness Sustainable Energy portfolio traded on the following multiples:

As at 30 September 2026

	PE			EV/EBITDA			Dividend Yield		EPS Growth (%pa)		Cash return	
	2025	2026E	2027E	2025	2026E	2027E	2026E	2027E	2019-24	2025-28	2026E	2027E
Guinness Sustainable Energy Fund	23.0x	20.8x	16.4x	13.0x	13.6x	10.5x	1.4%	1.3%	6.8%	17.4%	11.3%	12.5%
MSCI World Index	24.9x	19.5x	17.3x	17.1x	13.9x	12.0x	1.6%	1.7%	6.8%	17.7%	10.1%	10.7%
Fund Premium/(Discount)	-8%	6%	-5%	-24%	-2%	-13%						

*2025 P/E = Latest month-end price / 2025 earnings; Portfolio = median CFROI; Index data = HOLT MSCI World ETF median CFROI; EPS derived from consensus, adjusted for Canadian Solar and LG Chem

Source: Guinness Global Investors, Bloomberg

Portfolio holdings as at the end of September 2026

Our portfolio is typically allocated across 30 broadly equally weighted equities, providing exposure across the value chain of sustainable energy.

A key theme in the portfolio, at c.32% weight, is that of **electrical equipment** (covering both grid equipment and electrical equipment classifications), where we own a number of companies that facilitate the electrification of energy demand and the build-out of the electrical grid. Holdings such as Eaton, Schneider Electric, Amphenol, TE Connectivity and Legrand participate in various niches in the design, manufacturing and servicing of electrical products across low, medium and high-voltage applications, for a wide range of end markets. Hubbell holds a particular specialism in high-voltage grid equipment while MasTec specialises in grid construction, especially in the United States. Prysmian manufactures the cable used in high-voltage interconnectors and connections to new supply sources. Lastly, Itron has a heritage in manufacturing smart meters and is increasingly providing services and consulting to utilities around this installed base to enable more efficient use of the grid.

The electrification and efficiency of buildings, industrial activities, and transportation represent a total weight of c.27% and are split as follows:

- In terms of **transportation** exposure, the portfolio holds five names in the electric vehicle sub-category, giving it exposure to companies that provide semiconductors, electronics, components and software/services to the growing EV and autonomous vehicle industry. Infineon and NXP Semi are providers of power semiconductors and microcontrollers that are a necessity for higher-voltage electric vehicles to become competitive with ICE (internal combustion engine) vehicles, while Sensata and TE Connectivity are component manufacturers and service providers that should benefit from the ever-increasing amount of electronics present in electric vehicles. We hold one lithium-ion battery manufacturer, LG Chem, which is a Korean chemicals company and one of the largest lithium-ion battery manufacturers in the world.
- Our **buildings** exposure comes via pure-play quality exposure to heating and cooling industries (via commercial HVAC manufacturer Trane Technologies) as well as high-quality roofing manufacturer Carlisle Companies. We also own Owens Corning, a manufacturer of insulation (and associated products). Our final holdings here are SPIE, a French electrical engineering company that provides services for building maintenance predominantly in France and Germany, and AECOM, a US-focused design & engineering business with exposure to building efficiency and the renewable energy build-out.
- Our **industrial** efficiency and electrification exposure comes from two positions, in Siemens and Atlas Copco. Siemens provides us with exposure to efficiency and electrification across a wide range of end markets, while Atlas Copco offers exposure to the efficient use of air (often referred to as the fourth utility) in manufacturing processes, via compressors and vacuum technology.

In terms of the **generation** of sustainable energy, we hold a c.18% weight to utilities and independent power producers. China Longyuan is a pure-play Chinese wind power producer and represents one of our two independent power producer (IPP) holdings. The remaining exposure comes in the form of geothermal via Ormat, the world's only integrated producer and equipment manufacturer for geothermal projects. We also have broad-based wind/solar renewable energy generation through NextEra Energy (the largest producer of renewable energy in the world), and utility exposure through Iberdrola and SSE, with a particular focus on electricity networks.

We hold exposure to the **solar and wind equipment** and manufacturing value chains. Xinyi Solar is the world's largest supplier of the glass used in solar cell modules, and Enphase manufactures the inverters required to convert DC solar power into consumable AC electricity. Canadian Solar and First Solar give integrated exposure to the solar cell and module manufacturing process, covering both the standard polysilicon manufacturing process (via Canadian Solar) as well as the specialist cadmium telluride process used by First Solar. Wind turbine manufacturer Vestas provides broad exposure to the strong growth that we expect in the onshore and offshore wind markets. Lastly, we have some exposure to bioenergy (and a broader range of energy efficiency projects) via Ameresco, a US-listed clean energy project developer.

Portfolio themes as at end September 2026

Theme	Example holdings	Weighting (%)
1 Electrification of energy demand	 	25.6%
2 Modernising the power grid	 	12.7%
3 Rise of the electric vehicle and auto efficiency	 	12.0%
4 Power semiconductors	 	6.8%
5 Wind & solar equipment manufacturing	 	7.9%
6 Low carbon power generation: regulated producers	 	12.6%
7 Low carbon power generation: independent producers	 	6.3%
8 Building and industrial efficiency	 	14.1%
9 Other (inc cash)		1.9%

Portfolio at end September 2026

Guinness Sustainable Energy Fund (30 September 2026)			P/E			EV/EBITDA			Price/Book			Dividend Yield			Net Debt/EBITDA		
Stock	ISIN	% of NAV	2025	2026E	2027E	2025	2026E	2027E	2025	2026E	2027E	2025	2026E	2027E	2025	2026E	2027E
ALTERNATIVE FUELS																	
Ameresco Inc	US02361E1082	1.2%	23.4x	16.9x	12.8x	12.7x	11.8x	10.1x	1.0x	0.9x	0.8x	0.0%	n.m.	n.m.	7.7x	6.5x	6.1x
		1.2%															
EFFICIENCY & ELECTRIFICATION																	
AECOM	US00766T1007	2.1%	11.5x	14.0x	9.5x	7.2x	9.7x	7.4x	3.1x	3.3x	2.5x	1.8%	2.0%	2.2%	1.3x	1.5x	0.8x
Carlisle Cos Inc	US1423391002	2.4%	18.5x	15.2x	13.4x	11.9x	11.8x	10.9x	7.4x	10.3x	8.8x	1.3%	1.4%	1.5%	1.5x	1.8x	1.6x
Mastec Inc	US5763231090	2.5%	44.2x	22.9x	16.8x	10.2x	12.6x	10.0x	5.2x	4.2x	3.6x	0.0%	0.0%	0.0%	1.2x	2.2x	1.3x
Owens Corning	US6907421019	2.3%	10.6x	11.7x	9.7x	6.2x	7.4x	6.8x	2.4x	2.6x	2.3x	2.7%	2.7%	2.8%	2.3x	2.4x	2.2x
Spie SA	FR0012757854	3.1%	16.5x	13.7x	12.2x	8.3x	8.3x	7.8x	3.2x	3.0x	2.7x	2.5%	2.9%	3.2%	1.4x	1.9x	1.5x
Trane Technologies PLC	IE00BK9ZQ967	4.1%	34.6x	29.6x	25.6x	22.5x	21.3x	18.7x	11.7x	10.5x	9.0x	0.8%	0.9%	0.9%	0.8x	0.5x	0.3x
Siemens AG	DE0007236101	4.4%	28.1x	24.7x	21.6x	19.1x	16.4x	14.8x	3.3x	3.2x	3.0x	1.9%	2.0%	2.1%	3.3x	1.6x	1.3x
Atlas Copco AB	SE0017486889	3.2%	36.1x	34.1x	28.4x	21.8x	20.8x	17.8x	8.4x	8.8x	7.6x	2.5%	1.6%	1.8%	0.5x	0.4x	0.0x
Versigent PLC	JE00BWK75100	0.6%	n.m.	6.1x	4.6x	6.1x	5.2x	4.8x	n.m.	14.1x	5.1x	n.m.	0.6%	1.1%	-0.1x	1.6x	1.3x
Johnson Matthey PLC	GB00BTQHVV80	2.7%	16.8x	n.m.	10.1x	8.9x	n.m.	6.8x	1.4x	n.m.	2.2x	4.1%	n.m.	3.8%	1.8x	n.m.	1.4x
LG Chem Ltd	KR7051910008	1.9%	565.1x	n.m.	11.5x	8.8x	7.2x	5.1x	0.6x	0.6x	0.5x	0.8%	0.8%	1.6%	3.5x	3.7x	2.6x
		29.3%															
GENERATION																	
Iberdrola SA	ES0144580Y14	4.7%	23.8x	20.3x	18.9x	13.6x	12.7x	11.9x	2.6x	2.5x	2.4x	3.3%	3.5%	3.8%	3.8x	3.4x	3.5x
SSE PLC	GB0007908733	4.0%	18.7x	n.m.	11.8x	13.8x	n.m.	10.6x	2.8x	n.m.	1.9x	2.5%	n.m.	2.9%	3.0x	n.m.	2.8x
China Longyuan Power Group C	CNE100000HD4	2.2%	8.8x	10.4x	8.3x	11.7x	12.2x	11.1x	0.5x	0.5x	0.5x	3.3%	2.8%	3.6%	6.6x	7.4x	7.0x
NextEra Energy Inc	US65339F1012	3.9%	25.8x	18.7x	17.2x	18.5x	15.6x	13.5x	2.9x	2.3x	2.0x	3.0%	3.3%	3.5%	6.2x	6.3x	6.2x
Ormat Technologies Inc	US68668B1021	2.9%	40.7x	36.9x	36.8x	17.1x	12.9x	12.1x	2.2x	2.0x	1.9x	0.5%	0.5%	0.6%	5.6x	4.4x	4.4x
		17.7%															
EQUIPMENT																	
Amphenol Corp	US0320951017	4.6%	48.3x	31.5x	25.7x	29.3x	18.7x	16.0x	15.4x	11.5x	8.4x	0.4%	0.6%	0.7%	0.6x	0.9x	0.4x
Eaton Corp PLC	IE00B8KQN827	4.6%	37.5x	31.7x	26.9x	26.9x	24.2x	20.7x	8.6x	7.7x	6.7x	1.0%	1.0%	1.1%	1.4x	2.3x	1.5x
Hubbell Inc	US4435106079	4.2%	26.8x	22.1x	19.8x	19.6x	17.4x	15.3x	6.3x	5.6x	4.8x	1.3%	1.3%	1.3%	1.3x	2.7x	2.1x
Itron Inc	US4657411066	2.5%	12.9x	13.4x	12.4x	12.4x	12.2x	11.1x	2.3x	2.2x	1.8x	0.0%	n.m.	n.m.	0.9x	1.9x	1.1x
Legrand SA	FR0010307819	4.5%	27.8x	24.1x	21.1x	18.0x	16.2x	14.4x	4.9x	4.7x	4.2x	1.5%	1.9%	2.1%	1.8x	1.7x	1.3x
Prysmian SpA	IT0004176001	3.5%	34.6x	26.4x	20.5x	16.6x	15.1x	12.4x	5.3x	4.7x	3.9x	0.7%	0.8%	1.0%	1.2x	1.0x	0.5x
Schneider Electric SE	FR0000121972	4.5%	37.5x	28.7x	24.1x	21.2x	18.8x	16.4x	6.7x	6.2x	5.5x	1.4%	1.6%	1.8%	1.6x	1.3x	0.8x
TE Connectivity PLC	IE0001VQNQZ81	3.6%	24.1x	18.4x	16.2x	15.0x	12.4x	11.1x	4.9x	4.5x	4.0x	1.3%	1.4%	1.5%	1.1x	0.7x	0.6x
Infineon Technologies AG	DE0006231004	3.5%	59.0x	34.4x	21.3x	22.0x	16.9x	12.1x	4.6x	4.2x	3.7x	0.6%	0.6%	0.8%	1.4x	0.9x	0.5x
NXP Semiconductors NV	NL0009538784	3.3%	23.3x	15.7x	13.0x	14.8x	12.0x	10.1x	6.0x	5.1x	4.1x	1.7%	1.8%	2.0%	2.0x	1.2x	0.8x
Sensata Technologies Holding P	GB00BFMBMT84	3.2%	9.2x	11.0x	10.1x	6.8x	9.0x	8.5x	2.2x	1.9x	1.6x	0.3%	1.2%	1.3%	2.0x	2.1x	1.6x
Canadian Solar Inc	CA1366351098	1.1%	n.m.	n.m.	57.9x	12.7x	14.9x	9.3x	0.3x	n.m.	n.m.	0.0%	0.0%	0.0%	8.8x	n.m.	n.m.
Enphase Energy Inc	US29355A1079	0.65%	24.3x	16.5x	14.7x	16.2x	13.9x	12.4x	4.0x	3.4x	2.7x	0.0%	0.0%	0.0%	-1.1x	n.m.	n.m.
First Solar Inc	US3364331070	2.6%	11.8x	9.9x	7.4x	7.7x	6.4x	5.2x	2.0x	1.6x	1.4x	0.0%	0.0%	0.0%	-1.0x	n.m.	n.m.
Xinyi Solar Holdings Ltd	KYC9829N1025	0.9%	6.6x	41.4x	11.3x	5.1x	8.9x	6.3x	0.5x	0.5x	0.5x	2.8%	1.6%	4.4%	1.4x	1.6x	0.7x
Vestas Wind Systems A/S	DK0061539921	2.7%	32.4x	19.8x	16.2x	11.8x	8.6x	7.6x	6.5x	5.7x	4.7x	0.4%	0.8%	1.1%	-0.6x	n.m.	n.m.
		49.9%															
Cash	Cash	1.9%															

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 – SUSTAINABLE ENERGY & THE ENERGY TRANSITION

Over the next 30 years, the world will continue its transition to a sustainable energy system. The key factors driving the transition are:

- **Population and GDP growth** putting a significant strain on today's energy supply
- **Economics** as sustainable sources of energy will be cheaper than the incumbents
- **Climate change** leading the world to reduce carbon emissions via cleaner energy
- **Pollution** forcing governments to drive air pollution out of cities via cleaner energy
- **Energy security** as sustainable energy sources, which are more evenly spread across all countries, facilitate lower reliance on energy imports.

The outcomes of the energy transition will, of course, be wide-ranging. On the **supply** side, we see a sustained shift towards renewable power generation, fulfilling global power generation needs, which are set to double by 2050. On the **demand** side, we believe that improved energy efficiency will be key to limiting energy consumption growth to a manageable level so that it can be increasingly satisfied by renewable sources.

The long-term direction is clear and is driven by economics, in our opinion, while geopolitical issues (such as the invasion of Ukraine in February 2022) could have an effect on the speed of the transition and the relative importance of the factors stated above.

Policy support, investment and economics

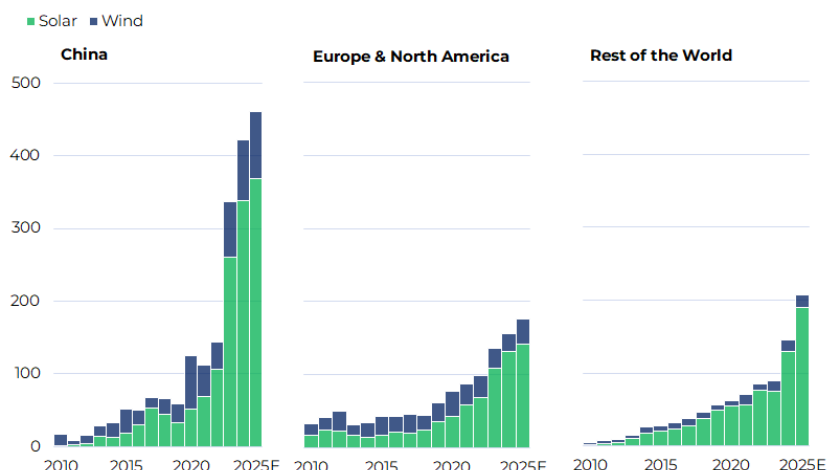
Energy transition policy has been increasingly shaped in recent years by energy security, affordability and industrial competitiveness, against a backdrop of rising power demand. Policy approaches have diverged across regions: the United States has seen a reduction in federal support for some low carbon energy technologies but has boosted others; China has continued to consolidate its structural advantages in clean-energy deployment and manufacturing; and Europe has maintained broadly supportive policies while seeking to strengthen industrial resilience.

The spectre in the **United States** of President Trump's second term in office loomed large over the clean energy sector. Indeed, many of the executive orders from 20 January 2025, the first day of President Trump's new term, related to the energy sector. Some were specific to the fossil fuel industry while others reflected the broader need for greater access to cheap energy to satisfy estimates of growing demand. Specifically in the realm of energy transition, Trump ordered a withdrawal from the Paris Agreement, a revoking of President Biden's 2021 electric vehicle targets and a suspension of new federal offshore wind leasing. However, it was also clear coming into 2025 that surging US electricity demand (as a result of the growth of artificial intelligence querying and data centres as well as the wider trend of electrification) was a critical issue. It was imperative for Trump to deal with this if he wanted to win the 'AI arms race', requiring him to oversee significant grid upgrades and near-term growth in both renewable and natural gas-based power generation.

In the event, the budget reconciliation bill of May 2025 initially proposed fewer changes to President Biden's Inflation Reduction Act (IRA) than expected following President Trump's election. However, amendments by the House of Representatives in late May reduced the value of IRA credits, raising approximately \$570bn. The resulting One Big Beautiful Bill Act ("OBBBA") eliminated electric vehicle and certain residential solar tax credits and accelerated the phase-out of utility-scale solar and wind ITC and PTC tax credits. Subsequent clarifications issued in August 2025 materially improved the outlook for developers by extending the time periods over which projects can qualify for these production tax credits. Separately, manufacturing tax credits for battery and solar equipment were retained through 2032 (beyond prior expectations), while wind-related manufacturing credits remain scheduled to end in 2027. With this hurdle now cleared, we have seen a resumption and acceleration of activity in the US, as the country's power crisis becomes the dominant issue.

China continues to reap the benefits of decades of investment in sustainable energy technologies, extending its dominance across the clean-tech value chain. Independent tracking suggests China produced 80-85% of all solar modules in 2025, around 70% of all wind turbines and around 70% of all battery electric vehicles. In the second half of the year, China pursued anti-involution efforts to remove excess manufacturing capacity, eradicate aggressive pricing and improve profitability for manufacturers, thereby improving the country's competitive positioning.

Annual renewable capacity additions by region 2000-25E (GW)



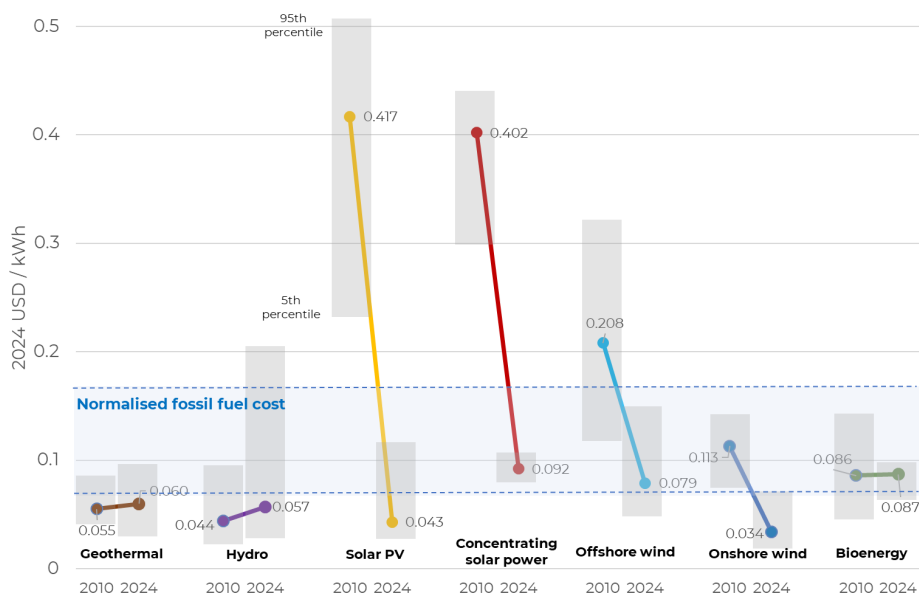
Source: BNEF; Guinness Global Investors

European policy remains supportive of the Energy Transition. In February 2025, the European Commission introduced the Clean Industrial Deal, a policy aimed at boosting the EU's clean manufacturing sector and industrial competitiveness by adding 100GW of renewable energy capacity annually until 2030 and making €100bn available to support energy-intensive industries such as steel, metals, and chemicals. The deal also proposes streamlining bureaucratic processes, increasing European Investment Bank-backed guarantees for renewable energy projects, and supporting power grid manufacturers. In addition, Germany's debt brake reform (Feb'25), unlocks approximately €1trn in additional investment into defence, infrastructure and energy transition projects over the next decade.

Overall, **global investment in clean technologies** continues to grow and is likely to have hit nearly \$2.2trn in 2025 according to the IEA, up by around 10% versus 2024 and twice the spend on coal, oil and gas in the year. Globally, spending on low-emission power generation has almost doubled over the past five years, led by solar PV.

Research from the International Renewable Energy Agency (IRENA) in 2025 supports the view that renewable electricity is the cheapest form of new electricity supply in most situations. According to their Levelized Cost of Electricity (LCOE) estimates, the cost of wind and solar projects commissioned in 2024 (most recent data) ranged from \$0.03-0.11/kWh, well below the fossil fuel cost range of \$0.08-0.17/kWh. The LCOE of solar and wind remained broadly flat versus 2023 data, as the impacts of higher interest rates, plus the 2022/23 inflation cycle, were offset by greater economies of scale. These technologies are now competitive with the cheapest new fossil-fuel generation, which also produces power at roughly \$0.08/kWh, although inflation in gas turbine costs likely biases these estimates higher for projects commissioned in 2025 and 2026.

Global LCOE of newly commissioned utility-scale renewable power generation technologies (2010-2024)

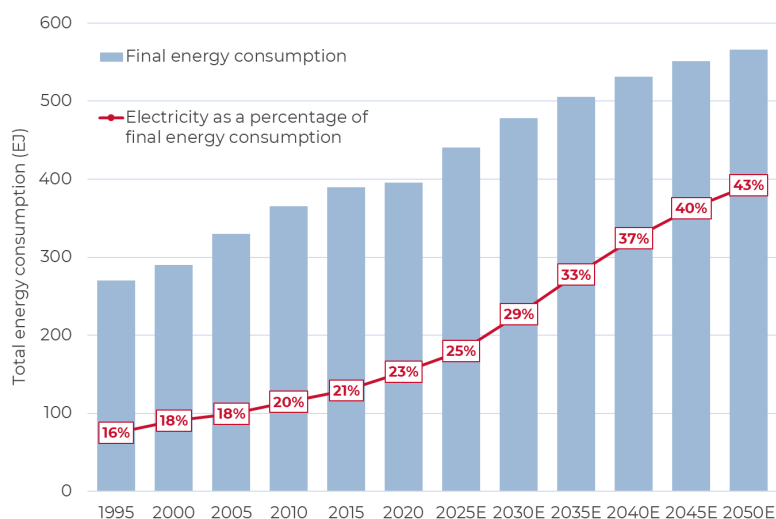


Source: IRENA; Guinness Global Investors, August 2025, percentile ranges from 2024 or 2023 if data if not available

The electrification of demand

The global economy is in the early stages of a secular energy transition, marked by rapid growth in renewable and low-carbon energy sources and the **electrification** of global energy demand. The electrification of the world energy system is driving substantial upward revisions to power demand, and we expect annual growth of around 4% per year from 2025 to 2040, meaning that electricity will ultimately account for 43% of total final energy consumption by 2050. The scale of this demand growth, nearly 90EJ or nearly the size of current global power generation capacity, poses considerable challenges for governments and countries, many of which have historically planned for stagnant or only modestly rising demand.

Total final energy consumption (1990-2040E)



Source: IEA, Guinness estimates, January 2026

The drivers of this electrification trend are broad, and include:

- The electrification of heating and cooling in buildings and manufacturing processes in industry
- The electrification of transportation
- Surging electricity demand from AI and data centres (especially in the United States)

In the near term, the IEA expect global power demand to rise by 3.3% in 2025 and 3.7% in 2026, well above the 2.6% average annual growth seen between 2015-2023. Growth is driven by rising industrial activity, continued electrification, expanding use of appliances and air conditioning, and accelerating demand from data centres, with heatwaves adding further

pressure in many regions. As a result, electricity demand is expected to rise at more than twice the rate of total energy demand in both years, underscoring the secular growth of electricity demand. Investment in efficiency-related activities, to help offset the strong demand growth drivers, is expected to have grown 6% in 2025, reaching almost \$800bn (a 70% increase since 2015 and reflective of a step-change in spending committed to improving efficiency).

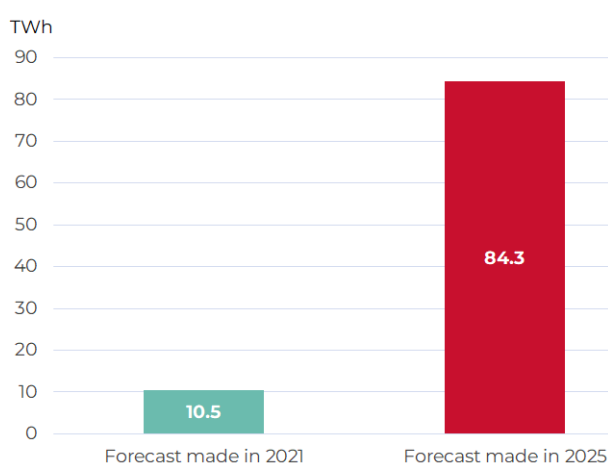
Data centres: heaping near-term pressure on power markets, especially in the US

The build out of AI infrastructure and data centres requires vast amounts of electricity and is causing a particular near term issue in the United States. AI data centres run continuously and are growing in scale and complexity; in 2025 alone, the largest hyperscalers are expected to spend \$350bn on AI capex. Whilst forecasting demand growth is challenging due to rapid advances in both hardware efficiency and the scale of AI workloads, we see data centres growing from 4-5% of US power demand to c.12% by 2030, largely driven by AI servers which are 3-5x more energy intensive than traditional servers.

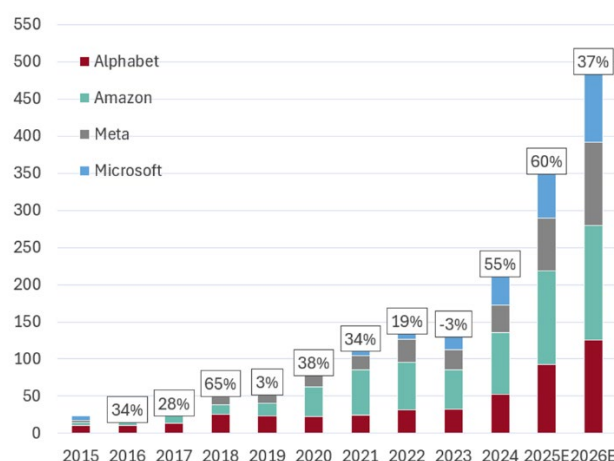
AI demand is also being compounded by the onshoring of manufacturing and the wider electrification of transport, buildings and industry. Investment in new US manufacturing facilities has surged 184% since 2020, driven by semiconductors, batteries, and advanced materials, with the CHIPS Act and IRA spurring over \$500bn in private investment since 2021.

Looking longer term, the outlook for annual power demand growth to 2040 in the US has increased by almost 8x since 2021 (according to NextEra Energy). To meet this demand growth and reverse a trend of stagnant growth and improved efficiency, the US must rapidly expand generation capacity and address emerging supply constraints.

Annual increase in US electricity demand to 2040
as forecasted by NextEra Energy



Capital expenditure of US hyperscalers (USD\$bn)

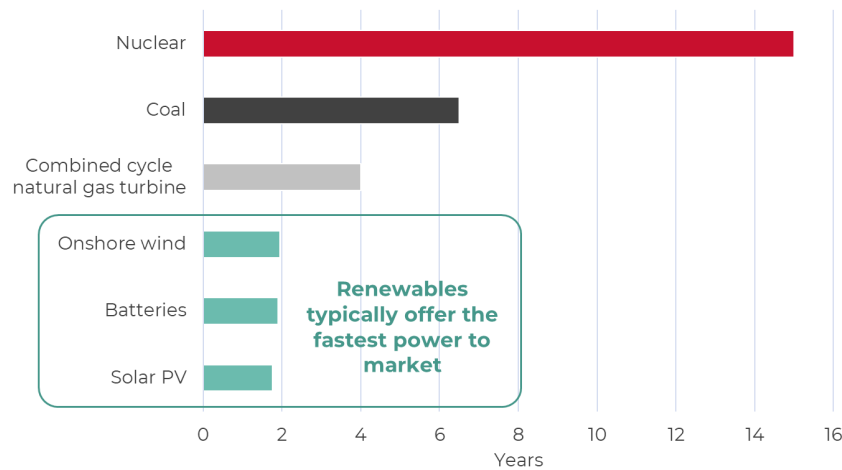


Source: NextEra, Bloomberg, January 2026

As laid out by NextEra, the US's largest electricity provider, the US needs to increase investment in almost all forms of generation. In the short-term, given their speed to market, flexibility, and cost advantages, a combination of renewables and storage are best positioned to deliver new power.

NextEra see "firmed" generation (intermittent renewables backed by storage), as having the lowest levelized cost of generation in 2030. The company reports an estimated cost of \$25-\$50/MWh for new onshore wind (including storage) and \$35-\$75/MWh for new solar (including storage). This is considerably cheaper than new natural gas combined cycle at \$85-\$115/MWh and a small modular reactor (in 2035) at \$130-\$150/MWh.

Average US power plant development timeline (from concept to operation)



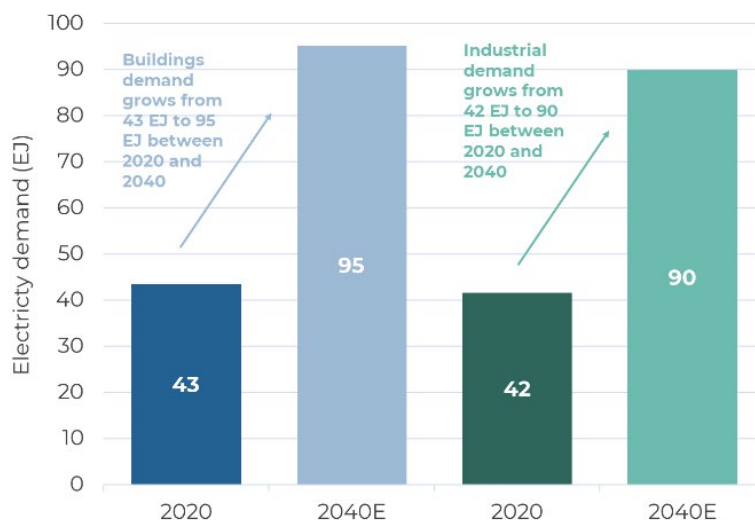
Source: NextEra, August 2025

Despite the urgent need for more electricity, the US has found it increasingly difficult to bring new generation online. Although renewables represent more than 90% of the interconnection queue, an outdated interconnect process means that wait times have grown 70% in the last decade, with key markets seeing wait times of over 7 years. In practice, much of this queue won't translate into real projects as it doesn't take into account grid constraints such as the availability of power equipment and turbines and includes speculative applications from developers looking to reserve places on the grid.

Buildings & industry: electrifying the largest consumers of energy

Buildings and industry are two of the largest consumers of energy, together accounting for almost 70% of final energy demand in 2024. Given the vast existing stock of homes, commercial buildings and industrial facilities, the scope for electrification is enormous, as is the potential for efficiency improvements that can moderate future demand growth. It's worth noting that in our base-case scenario, we assume that significant energy efficiency gains drive energy demand growth of around 1% per year, half the historic rate of nearly 2% per year. Given their size, a substantial share of these efficiency gains will need to come from the buildings and industrial sectors.

Electricity consumption in buildings and industry: 2020 vs 2040 (Exajoules)



Source: IEA, Guinness Global Investors, January 2026

Buildings

The global buildings sector, covering both residential and commercial properties, accounts for around 28% of final energy demand and demand is set to grow further as a growing population drives new housing needs, economic expansion adds commercial floor space, and rising incomes drive demand for heating, cooling, and household appliances.

We see electricity demand increasing by c.2.2x by 2040, growing at an average of 4%pa, with growth driven by heat pumps, heating/cooling and digitalisation.

Industry

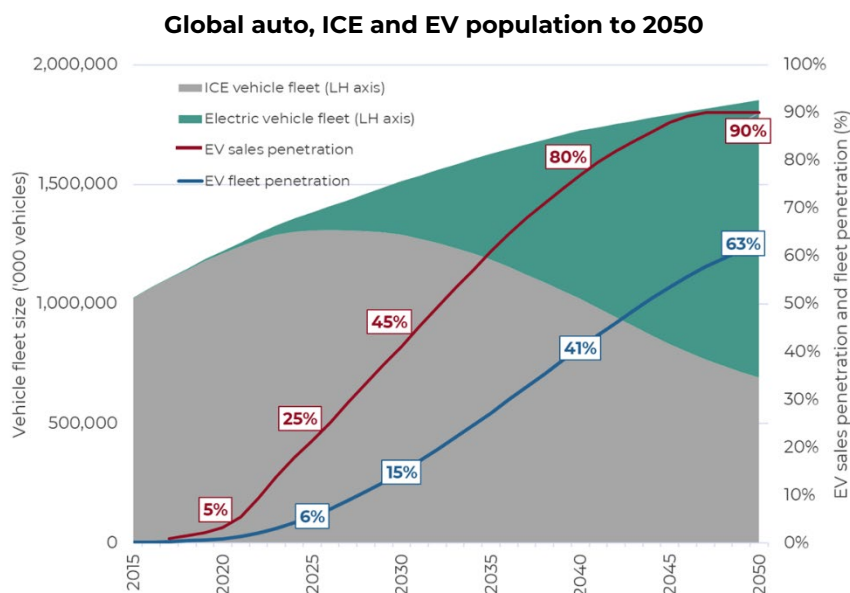
The industrial sector is the largest single consumer of energy globally, accounting for around 40% of final energy demand, and demand will continue to rise as populations expand and economies grow. Today, fossil fuels supply close to 60% of the energy used in emissions-intensive industries such as aluminium, cement, steel and chemicals, underscoring the scale of the electrification opportunity. In these hard-to-abate sectors, large-scale policy frameworks will be essential to displace fossil fuels, with a combination of strong incentives and tighter regulation required to tilt the economics of industrial processes toward cleaner forms of energy.

Within industry, the electrification of heat represents the most significant driver of future electricity demand, supported by the growing automation of production processes and broader uptake of electric motor systems. Tangible progress is already underway across several key technologies including industrial motor systems (pumps, fans, compressors and drives) as well as electric arc furnaces and electric boilers.

Transportation: falling battery costs make electrified transport more economic

The electrification of transport, led by the rapid adoption of electric vehicles (EVs), represents the final major driver of electricity demand growth. EV sales have expanded significantly over the past decade, from roughly 0.5m units in 2015 to 17.5m in 2024, yet the sector remains overwhelmingly reliant on fossil fuels. We expect a >50x increase in the number of EVs on the road in 2040 versus 2020 levels and that transportation's share of world electricity demand will increase. In 2024, transport accounted for 28% of global final energy use but contributed only 2% of global electricity demand, highlighting the substantial runway for electrification ahead.

EV sales have continued to grow at a healthy pace, albeit slower than was expected a few years ago. Plug-in sales grew by around 20% in 2025, with EVs making up one in every four cars sold and annual sales reaching c.21m units. In the long-term, we believe that EV penetration will increase (reaching 45% by 2030 and >80% by 2050) as falling battery costs improve affordability, and technology improvements enhance performance and safety.



Source: US DoE (actual), Guinness Global Investors (estimates) as of January 2026

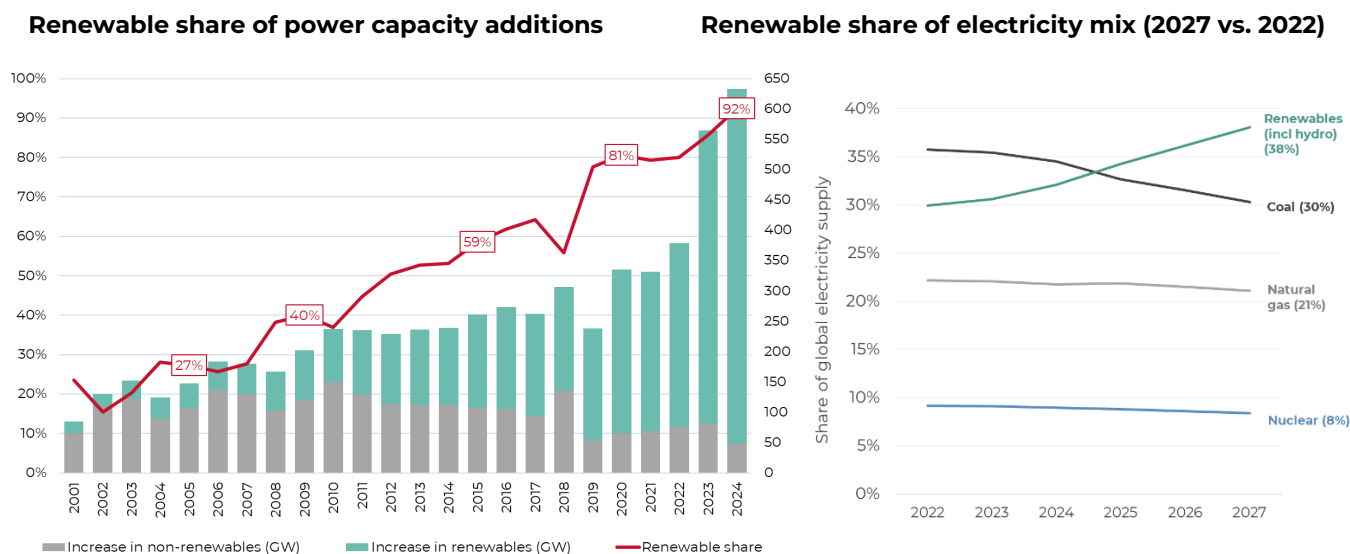
A key pillar of our forecast for rising EV penetration is the continued decline in battery costs and the resulting improvement in EV relative economics. Battery prices (at \$108/kWh in 2025) have already fallen by 93% since 2010 and are expected to fall below \$100/kWh as early as 2026, a milestone widely seen as enabling cost parity with internal combustion engines. As the industry continues to scale and technology improves, battery costs are projected to decline even further, reaching around \$70/kWh by 2030.

In China, falling battery costs mean that over two-thirds of electric vehicles are cheaper than their internal combustion counterparts. In fact, electric cars have been cheaper in China, on average, than comparable combustion cars since 2023 and, as battery prices fall in other regions, we would expect to see a similar increase in penetration rates.

Renewable energy supply and power grids

Having considered electrification, the key driver of demand, we now turn to the drivers of renewable supply and consider solar, wind and the need for upgrading of the global power grid.

The relative economics of renewable power continue to improve and underpin their continued penetration of the global electricity mix. With 91% of utility-scale projects commissioned in 2024 producing electricity more cheaply than new fossil-fuel alternatives, renewables are now cost-competitive across most major markets. Their share of global capacity additions has risen accordingly, climbing from about 40% in 2010 to more than 90% in 2024. This structural shift is accelerating, and 2025 is expected to mark the point at which renewables (including hydropower) overtake coal as the leading source of global electricity generation.



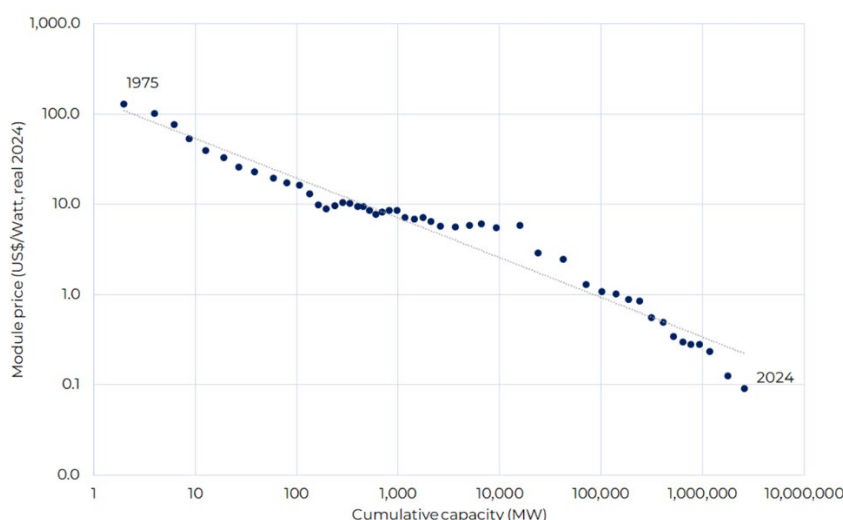
Source: IEA, IRENA, Guinness Global Investors estimates, January 2026

Solar: at the bottom end of the cost curve and growing rapidly

Solar has grown rapidly over the last decade, with annual installations rising more than tenfold. This expansion has undoubtedly been driven by a collapse in systems costs (down over 95% since 2010) and improvements in technology (solar module efficiency has improved 5x over recent decades). The decline in costs has been the result of large-scale manufacturing investment, particularly in China, and the development of a global industrial supply chain that has enabled low-cost solar deployment at unprecedented volumes.

Solar's attractive economics, with average LCOE's of around \$0.04/kWh, leave it at the bottom of the global power-generation cost curve, making it, more often than not, the cheapest source of new electricity. Beyond its cost advantage, solar also benefits from design simplicity and rapid build-out times and, when paired with increasingly affordable storage, offers a pathway to competitively priced, "firmed" renewable power.

Solar module prices (1976 – 2024)



Source: BNEF, Maycock, Guinness Global Investors, January 2026

Thinking long-term, solar is likely to remain the fastest growing source of renewable energy. We expect to see annual solar installations grow medium-to-high single digits per year over the next decade with much of the incremental growth coming from emerging markets, where electricity demand is accelerating and where solar's cost advantage is most pronounced. Power markets such as India, the Middle East, and Southeast Asia remain undeveloped and continue to build project pipelines, pointing to their role in future demand growth.

Wind: record global installations in 2025 with China being dominant

The wind sector has seen more moderate growth over the last decade, with installations almost doubling between 2015-2024. Over this period, larger turbines, higher capacity factors and improved offshore technologies have materially lowered costs and improved reliability, supporting continued demand growth. However, wind projects tend to be larger and more complex than solar; they are more capital intensive, have longer lead times, and can be more exposed to permitting delays and supply chain disruptions. As a result, the industry has grown more slowly than solar, despite having comparable LCOE profiles. Over the past 5 years, much of the industry's growth has been supported by the large-scale build out of capacity in mainland China, accounting for about 50% of the industry total installed base as of 2024. This is set to continue with China adding 66% of annual global installations in 2025.

The outlook for global wind demand near term will largely depend upon how China adjusts to its new market-based power regime. The country has replaced fixed feed-in tariffs with liberalised market trading, meaning that renewables are competing head-on with fossil fuels. Whilst this will likely introduce short-term headwinds and lower expectations for installations in 2026, we are encouraged by the announcement of updated targets to install 120 GW of new capacity every year between now and 2030, including 15 GW of offshore capacity. Outside of China, the global wind market is increasingly diversifying with strong contributions from India, Europe and parts of Southeast Asia. The offshore wind market is set for a step up in 2026, with project completions due across a range of markets such as the UK, Vietnam and France. In the longer-term, we expect wind installations to grow at 6-7% per year through 2030, with the smaller offshore market growing at a higher rate of around 20%.

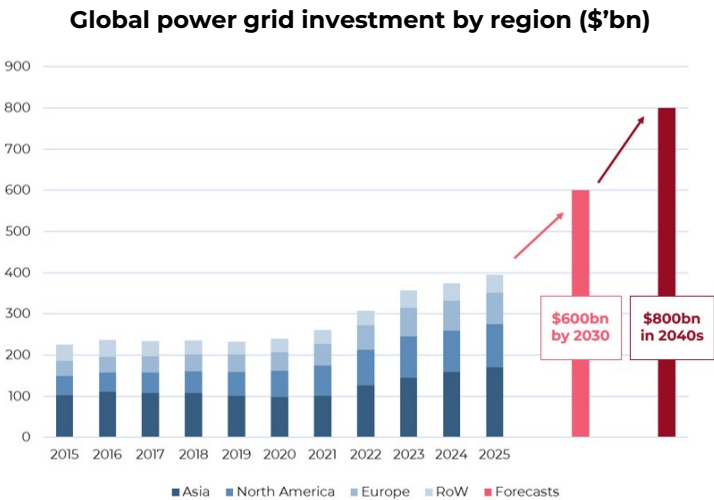
Power grids: a multi-year expansion, replacement and digitalisation cycle ahead

The global power grid requires substantial and sustained investment to integrate an ever-growing pipeline of renewables and support the rising demands of an electrified world. Put simply, the grid needs to be larger, smarter and more resilient to enable the energy transition to continue at pace. Long-term growth drivers include expansion, replacement, digitalisation and load growth improvements.

Looking ahead, BNEF expect average global capex growth of 11% per year between 2025-2027, levels that are structurally higher than recent years. In the US, utilities companies have laid out multi-year investment plans in response to data centre demand, with five companies alone expected to spend \$255bn by 2029. In Europe, planned spending is set to grow from around \$26bn in 2024, to around \$70bn in 2028. China will continue to lead spending growth in Asia, with preliminary plans suggesting spending will grow 11% per year between 2022-2027.

Whilst grid spending appears to have entered a period of structurally higher growth, it still falls below the spending level required to connect new renewables, unblock interconnect queues, and meet the level of forecast demand growth.

Annual investment will need to reach over \$600bn per year by 2030 to put spending on track, growing further to average \$800bn per year through the 2040s.



Source: Rystad, IEA; September 2025

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GUINNESS SUSTAINABLE ENERGY FUND

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The documentation needed to make an investment, including the Prospectus, Supplement, the Key Investor Information Document (KIID), Key Information Document (KID) and the Application Form, is available in English from www.guinnessgi.com or free of charge from the Manager: Waystone Management Company (IE) Limited 2nd Floor 35 Shelbourne Road, Ballsbridge, Dublin D04 A4E0, Ireland; or the Promoter and Investment Manager: Guinness Asset Management Ltd, 18 Smith Square, London SW1P 3HZ.

Waystone IE is a company incorporated under the laws of Ireland having its registered office at 35 Shelbourne Rd, Ballsbridge, Dublin, D04 A4E0 Ireland, which is authorised by the Central Bank of Ireland, has appointed Guinness Asset Management Ltd as Investment Manager to this fund, and as Manager has the right to terminate the arrangements made for the marketing of funds in accordance with the UCITS Directive.

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Australia

For professional investors only.

WS GUINNESS SUSTAINABLE ENERGY FUND

Documentation

The documentation needed to make an investment, including the Prospectus, the Key Investor Information Document (KIID) and the Application Form, is available in English from www.waystone.com/our-funds/waystone-fund-services-uk-limited/ or free of charge from Waystone Management (UK) Limited, PO Box 389, Darlington DL1 9UF. General Enquiries: 0345 922 0044.

E-Mail: wtas-investorservices@waystone.com.

Waystone Management (UK) limited is authorised and regulated by the Financial Conduct Authority.

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The Fund is registered for distribution to the public in the UK but not in any other jurisdiction. In other countries or in circumstances where its distribution is not authorised or is unlawful, the Fund should not be distributed to resident Retail Clients.

Structure & regulation

The Fund is a sub-fund of WS Guinness Investment Funds, an investment company with variable capital incorporated with limited liability and registered by the Financial Conduct Authority.

GUINNESS SUSTAINABLE ENERGY UCITS ETF**Documentation**

The documentation needed to make an investment, including the Prospectus, the Key Investor Information Document (KIID), Key Information Document (KID) and the Application Form, is available in English from www.guinnessgi.com, www.hanetf.com or free of charge from the Administrator: J.P. Morgan Administration Services (Ireland) Limited, 200 Capital Dock, 79 Sir John Rogerson's Quay, Dublin 2 DO2 F985; or the Investment Manager: Guinness Asset Management Ltd, 18 Smith Square, London SW1P 3HZ.

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In countries where the Fund is not registered for sale or in any other circumstances where its distribution is not authorised or is unlawful, the Fund should not be distributed to resident Retail Clients. **NOTE: THIS INVESTMENT IS NOT FOR SALE TO U.S. PERSONS.** The Fund is recognised in the UK under the Overseas Funds Regime, but it is not a UK-authorised Fund. UK investors should be aware that they may not be able to refer a complaint against the Fund's Management Company or its Depositary to the Financial Ombudsman Service. Any claims for losses relating to the Management Company or its Depositary will not be covered by the Financial Services Compensation Scheme. For more information, please see the Country Supplement [here](#).

Structure & regulation

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