

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

'BACK TO SCHOOL' FOR SUSTAINABLE ENERGY

In the 1970s, twin oil shocks drove energy security up the political agenda, sparking the sustainable energy revolution. Fifty years on, history is repeating itself: two global energy shocks within a decade are again pushing policymakers toward sustainable energy. In this 'Back to School' piece, we review the investment case and see compelling value in a high-quality, high-growth portfolio.

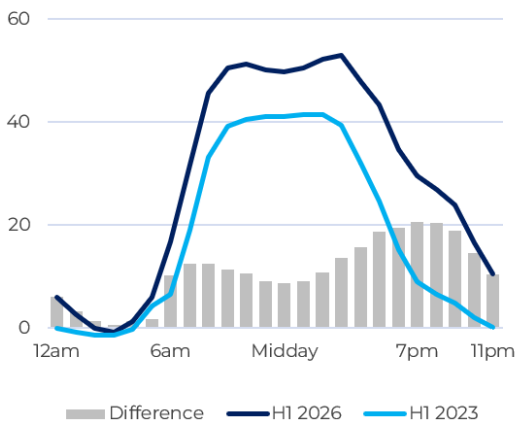
EQUITIES

The Guinness Sustainable Energy Fund (Class Y) returned 0.3% in USD in August, underperforming the MSCI World Index, which returned 2.6%. Vestas was the fund's top performer after seeing order intake up over 60% year on year, with strong margin execution allowing management to upgrade margin guidance. JP Morgan called it possibly the company's best set of results in several years. Canadian Solar and Infineon were among the fund's weaker performers. Despite posting strong sales, Canadian Solar's gross margins disappointed as module pricing remained under pressure from industry oversupply, while Infineon was caught up in a broader rotation out of semiconductors after strong performance year to date.

CHART OF THE MONTH: SOLAR + STORAGE IN CALIFORNIA

Californian battery energy storage has increased 25 times since 2019 to over 21GW of installed capacity, making it one of the largest installed fleets in the world. Alongside 55.5GW of solar, battery energy storage allowed California to meet more than a quarter of electricity demand in the evening (7-9pm) from its solar and storage assets in 1H 2026.

Solar + Storage share of Californian generation (%)



Source: Ember, CAISO, Guinness Global Investors, August 2026

AUGUST 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
Two key energy powerhouses reached milestones in August. China's installed solar capacity overtook coal to become the largest power source in the country. Installed solar capacity at the end of July reached 1,286GW compared to coal's 1,285GW according to China's National Energy Administration. Secondly, India's clean energy capacity overtook its fossil-fuel-powered generation. Solar capacity in China and India has increased by 34% and 29% per annum respectively since 2020 as improved economics stemming from cheap panel production have led to huge installation growth. The intermittency of solar means coal still generates a greater share of electrical energy in both countries, unlike the US, which in May for the first month ever generated more electricity from solar than coal.	Solar power	
President Trump imposed Section 232 tariffs on the import of solar photovoltaic (PV) panels and their constituent parts. Section 232 tariffs are used to protect industries deemed imperative to national security and in the case of solar panels have been used to establish a minimum import price on foreign manufactured solar PV wafers, cell and finished panels. A 15% tax on top of the imported price has also been set. The minimum import price for a complete panel as of 1 st December 2026 is set at \$0.38 per watt, meaning once stacked on top of existing tariffs, the price of US solar PV panels has increased to \$0.46 per watt, over four times the cost of a panel in China. Despite the price increase, US solar installations are expected to remain robust as projects have been planned in anticipation of the tariff and project developers wrote clauses into power purchase agreements to pass on tariff-related costs to the purchasers of the power, most commonly the hyperscalers.	US Solar Tariffs	
Canada has committed to its largest-ever clean energy investment. On 17 August, Ottawa unveiled around \$50bn of hydro and renewables projects in Labrador, expected to add about 7,200MW of clean capacity and lift the output of Canada's second largest hydroelectric plant by close to half. Federal support runs to \$7.2bn, most visibly a financing guarantee for Gull Island, a new 2,700MW plant on the Churchill River expected to produce around 12TWh but not due online until 2036 or 2037.	Canada Clean Energy Investment	
Global electric vehicle (EV) sales rose 9% year-on-year in July to 1.85 million units, according to research firm Benchmark Mineral Intelligence, taking year-to-date sales to 11.5 million, up 4% from 2025. European sales grew 33% as the return of subsidies to major markets drove exceptional performance in France, up 81% at a record 37% penetration rate, Germany, up 46%, and the UK, up 43%. Chinese exports of new-energy vehicles (including hybrids) set another monthly record above 500,000 units while the domestic market fell just 5% in comparison to July 2025, improving the year-to-date figure to -12%. EV sales penetration in China is now above 50% as the wider vehicle market shrinks faster than EV sales. North American sales fell 27% year-on-year as comparisons are now drawn against the pre-expiry surge in US purchases ahead of the September 2025 tax credit removal.	Electric vehicles	
The US installed a record 20.2GWh of energy storage in the second quarter, according to SEIA and Benchmark Mineral Intelligence, taking the national fleet to 165GWh and double where it stood 18 months ago. Utility-scale accounted for 18GWh, while commercial and industrial installs rose 52% year-on-year, on data centre demand, and residential fell 27% following the expiry of the Section 25D tax credit. The report raised the 2026 forecast to 71GWh and 2030 target to 683GWh, as demand continues driven by AI power demand and strong project economics.	Battery Storage	

MANAGERS' COMMENTS

'Back to School' for sustainable energy

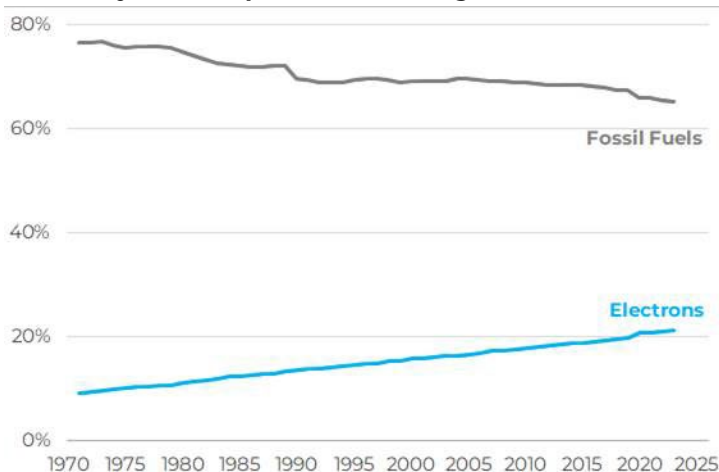
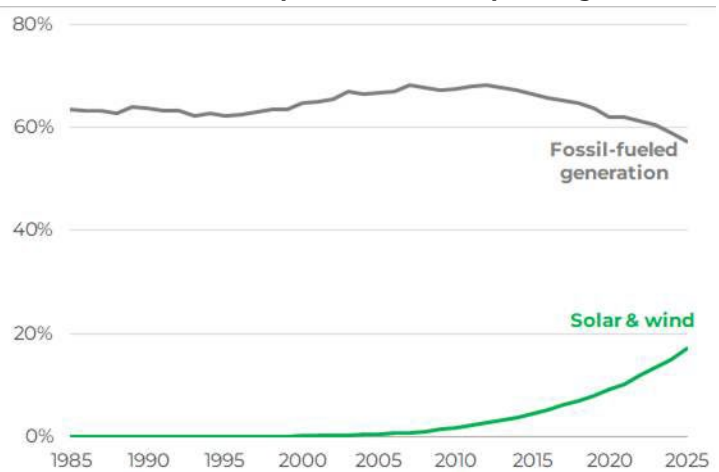
In the 1970s, twin oil shocks drove energy security to the top of the political agenda. The ensuing policy response gave birth to the sustainable energy revolution as we know it today. Fifty years on, history is repeating itself: the world has faced two global energy shocks within the same decade, and policymakers are once again looking to sustainable energy technologies as a solution. In this piece, we review the investment case for sustainable energy and see attractive value in a high-quality, high-growth portfolio of equities.

One of the most acute periods of energy disruption in living memory is the twin oil shock of the 1970s, first triggered by the 1973 Arab oil embargo against the US, followed by supply disruptions from the 1979 Iranian Revolution and the 1980 Iran-Iraq war. This was the biggest disruption to global oil markets the world had then seen and sent prices over \$120 a barrel in today's money. To reduce reliance on fossil fuel imports, policymakers introduced global efficiency standards, accelerated the supply of nuclear energy and boosted research funding for solar power. In effect, the energy shocks of the 1970s triggered a policy response which seeded the energy transition as we know it today.

With the outbreak of **conflict in Iran** and the closure of the Strait of Hormuz, energy markets have once again been thrown into turmoil, with many countries facing a stark reminder of the cost of being overly reliant on fossil fuel imports. Year-to-date, the price of Brent crude oil is up around 60%, European natural gas is up over 100%, and US gasoline prices are up over 40%. While headline inflation in the US has ticked up from just under 3.0% at the end of last year to around 3.5% today, further disruption to the Strait of Hormuz could see energy prices push this higher still. The combination of sticky inflation with energy price uncertainty has resulted in expectations for the next move from the Federal Reserve flipping from an interest rate cut to an interest rate hike. In the short term, this is weighing on sentiment for growth stocks, including some parts of our sustainable energy universe, although the long-term case remains intact.

Economics 101 tells us that as prices rise, demand falls: some of that demand loss is temporary, but some of it seeks an alternative. We already see evidence of this happening. Octopus, the UK's largest domestic retail energy supplier, reported the busiest three-week period in its history following the start of the conflict, with heat pump sales up over 50% month-on-month, solar sales also up over 50% and EV chargers up 20%. Every time someone switches to one of these technologies, it permanently destroys demand for fossil fuels. Similar to the 1970s, today's energy crisis isn't just an oil and gas story but also a **catalyst for the energy transition**.

Despite making steady progress over the past 50 years, **we are still in the foothills of two multi-decade transitions**. Energy demand is shifting from burning hydrocarbon molecules to the consumption of electrons, with electricity as a percentage of final energy demand expected to grow from c.25% in 2025 to c.45% in 2050. At the same time, power supply is decarbonizing as it shifts towards low-carbon energy sources such as solar, wind, and hydroelectric power. These renewable resources currently make up c.15% of primary energy supply today, growing to c.40% by 2040.

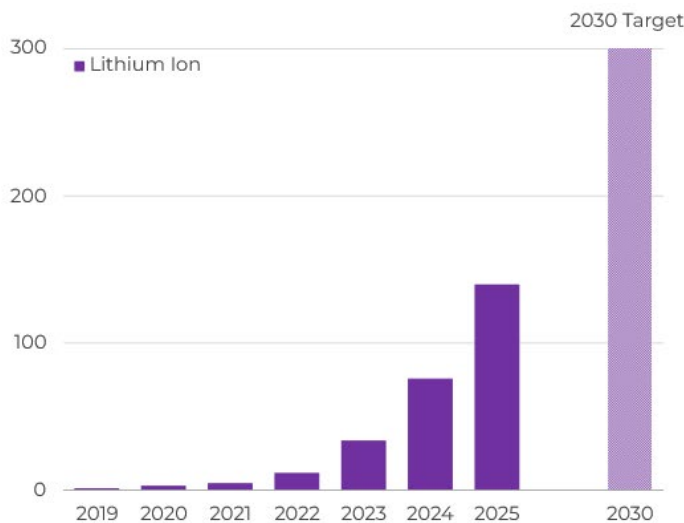
Electricity makes up around 25% of global final demand**Renewables make up around 20% of power generation**

Source: IEA, Ember, Guinness Global Investors. Data to 01.01.2023 (left); 01.01.2025 (right).

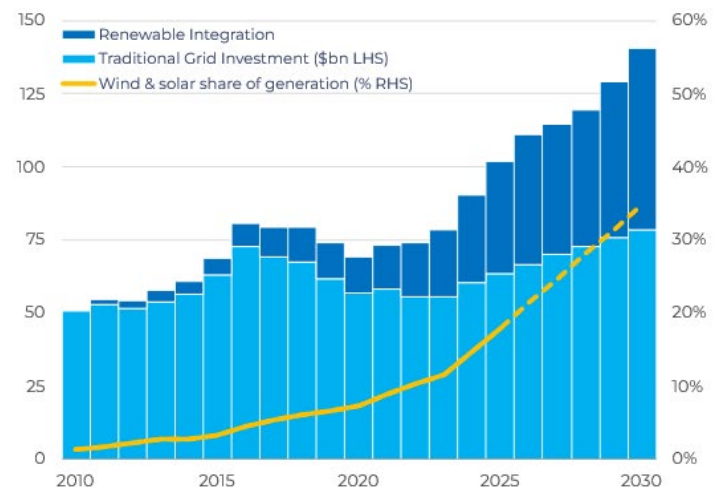
After suffering two energy shocks in short succession, policymakers in **Europe** published AccelerateEU in April, providing a long-term roadmap to strengthened energy resilience in light of the Middle East conflict. The plan builds on the REPowerEU plan issued in 2022 following the Russian invasion of Ukraine, reiterating targets to install 100GW of renewables every year and raising the economy-wide electrification rate to 32% by the end of the decade – a target since extended by July's Electrification Action Plan, which set a more ambitious goal of hitting 46% by 2040, doubling today's rate. AccelerateEU also introduced a new objective to expand installed energy storage capacity from around 55GW today to 200GW by 2030.

In **China**, the Energy Sector's 15th Five-Year Plan was released in late June, setting out national targets to 2030. The plan aims to achieve 50% non-fossil electricity generation, up from just over 40% today – with energy security identified as a primary objective. At the same time, the focus is shifting away from simply installing renewables towards demand electrification and system integration: targets include growing electricity's share of final energy consumption from 30% to 35%, increasing grid spending by 30%, and doubling China's installed storage capacity to around 300GW by 2030.

China's cumulative installed battery storage capacity (GW)



China grid spending (\$bn)



Source: Ember, Goldman Sachs, Guinness Global Investors, August 2026

As a net energy exporter with ample gas reserves, the **United States** is in an enviable position from an energy security perspective. However, with power demand forecasts inflecting higher due to the build-out of data centres, the US is taking an 'all of the above' approach to energy policy to avoid a shortfall in power, and is investing in gas, nuclear and renewables. The issue for President Trump remains the US's reliance on China for renewable technology, namely solar and battery imports. And despite the Trump administration cutting support for clean energy in last year's One Big Beautiful Bill Act, one key incentive which survived was the manufacturing tax credit supporting local clean energy supply chains.

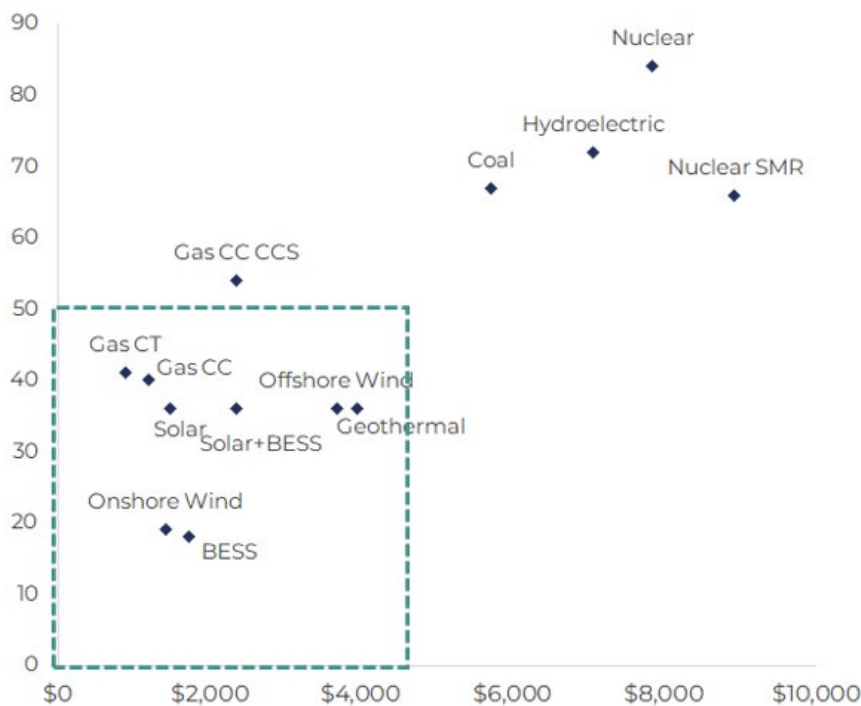
This **inflection in electricity demand** forecasts is a global phenomenon, with developed markets returning to growth after decades of stagnation, though the drivers vary by region. After averaging demand growth of 0-1% per annum between 2015-2025, power consumption in the United States is now expected to grow at closer to 3% per annum to 2030, with data centres driving around 50% of that growth. European power demand is accelerating from around 0% per annum to 2.0-2.5% per annum, with electric vehicles being the primary driver. Meanwhile, Chinese demand growth remains strong, with the electrification of industry driving 40% of incremental growth.

To meet rapidly growing electricity demand, the world needs to install more power capacity, and renewables remain a key part of the solution. **Wind and solar economics remain attractive** versus other sources of generation on a levelized cost basis (3-4 cents per kWh for wind and solar versus 7-18c/kWh for fossil fuels), but cost is no longer the only consideration. We believe data centres are optimising for power that is firm, fast (within three years), cheap and clean – roughly in that order of importance – and no single solution is a perfect fit.

- **Gas** offers firm power at an acceptable cost, but wait times for new turbines are now five years and emissions from gas power run counter to hyperscalers' sustainability goals.
- **Nuclear** offers firm clean power, but new capacity is expensive and can take over a decade to bring online. Upgrades and restarts can offer a faster and cheaper alternative, but there's a limit to what can be achieved.

- **Renewables** offer clean energy with some of the fastest times to power (2-3 years) at attractive economics, but suffer from intermittency. Storage can help to 'firm' this power, but without meaningful oversizing (which impairs project economics) it cannot support the baseload demand of data centres 24 hours a day, in all weathers.

Average unit capex (\$/kW) and lead time (months) across power sources



Source: EIA, UBS, Guinness Global Investors, August 2026

Bolstered by both short-term and structural tailwinds, we see **energy transition investment** hitting new highs in 2026, rising to around \$2.5 trillion. Clean energy spending has more than doubled since 2020, with a growing share coming from demand-side electrification and system-level investments such as storage and grid infrastructure. We expect clean energy spending to continue growing at a healthy rate to over \$3 trillion by the end of the decade, supported by rising power demand and an accommodative policy backdrop, in light of recent energy shocks.

The key themes in the Guinness Sustainable Energy portfolio

The Guinness Sustainable Energy Fund is positioned to benefit from numerous themes within the broader secular trend of the energy transition. We highlight eight such themes below:

Theme	Example holdings	Weighting (%)
1 Electrification of energy demand		26.0%
2 Modernising the power grid		10.7%
3 Rise of the electric vehicle and auto efficiency		11.6%
4 Power semiconductors		6.3%
5 Wind & solar equipment manufacturing		8.7%
6 Low carbon power generation: regulated producers		12.8%
7 Low carbon power generation: independent producers		6.5%
8 Building and industrial efficiency		15.1%
9 Other (inc cash)		2.2%

Source: Guinness Global Investors August 2026

The **electrification of the energy mix** has been a key focus in recent years. In the US, 2030 peak demand forecasts have been revised upwards every year for the last three years, rising from around 850GW in 2022 to 1,000GW in 2025, with the implied annual growth rate rising from 0.6% per annum in 2022 to 3.7% per annum in 2025.

To support this electrification, **power grids need to be modernised**. In the US, utilities expect to spend more over the next five years (\$1.4tn) than they did in the last ten (\$1.3tn), with a growing share going to power transmission and distribution. BNEF estimates that c.40% of global grid spending to 2050 is needed to repair and replace existing grid infrastructure, a further c.25% is needed to support demand growth, and another c.25% to support the adoption of renewables.

The rise of electric vehicles should see the global EV fleet grow by over five times over the next decade. Providers of critical EV components – such as power semiconductors and high-voltage connectors – enjoy a content uplift when selling onto an electric platform versus a combustion one. Over the last 10 years this has supported industry growth of 6-7% per annum, which we expect to inflect higher as EVs rise from 25% of global new car sales in 2025 to 45% in 2030.

Within **clean energy equipment manufacturing**, wind and solar remain in high demand, representing >80% of new power installations globally for four years running. Despite a resurgence in gas, we still expect renewables to make up the vast majority of power installations in future. For context, Global Energy Monitor suggests gas capacity additions are expected to rise to around 100GW by 2030, while BNEF sees installations of wind and solar of over 180GW and 760GW respectively by the end of the decade.

Inflecting power demand and rising power prices continue to benefit our **low-carbon power generation names**. Large power consumers seeking to lock in future costs have driven renewable power purchase agreement (PPA) prices higher, with the average strike prices for wind power rising from c.\$25/MWh in 2019 to over \$80/MWh in 2026.

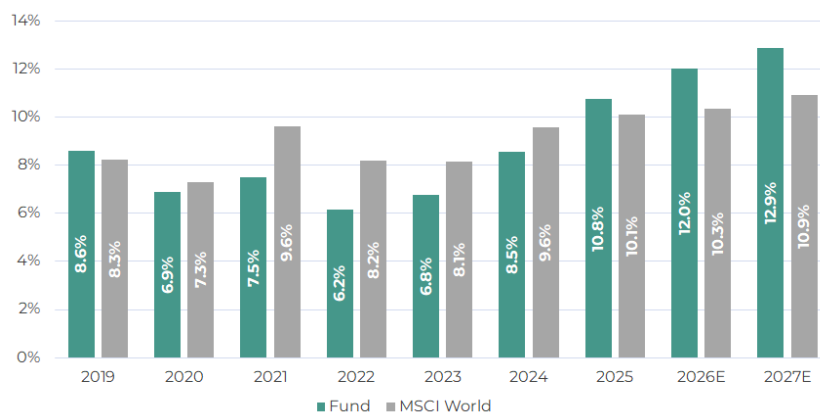
Higher power prices are making **building and industrial efficiency** products more attractive, with faster paybacks. And while high interest rates are acting as a near-term drag on building renovation rates, an inflection in industrial activity is supporting industrial efficiency names. Longer-term, the ratcheting up of electrification and energy efficiency standards provides a supportive backdrop for the providers of energy efficiency products.

Positive top-down thematic with attractive bottom-up characteristics

The investment thesis for the Guinness Sustainable Energy Fund is that companies with pure-play exposure to the energy transition should benefit from **faster earnings growth than the broader market** which should translate into share price outperformance over the long term. We believe that higher-quality companies are better at converting sales growth into shareholder value and that biasing towards value reduces the risk of overpaying for that growth.

- **Pure-play exposure:** Our analysis suggests that the portfolio at the end of August 2026 had over 70% business exposure to sustainable energy technologies, broadly similar to the levels estimated for our portfolio in 2019.
- **Quality:** The fund's median cash returns – a measure of real economic return on capital employed – sit at a premium to the MSCI World Index, having moved higher over 2024 and 2025. Returns are expected to keep rising through 2026 and 2027, reflecting improving fundamentals for various investee companies.
- **Value discipline:** The fund trades at a 12-month forward price-earnings ratio of 18.4x, roughly in line with the MSCI World, in return for three year forward consensus earnings growth of around 17% per annum. This translates into a compelling price-to-earnings-growth ratio for the fund of just around 1.1x.

Median cash returns for Guinness Sustainable Energy Fund and MSCI World Index (%)



Source: UBS HOLT, Guinness Global Investors. Data as of 31.08.2026

By investing in companies selling products and services that help to deliver the low-carbon transition, we believe the fund provides **a vehicle for clients to align their capital with the positive impact of sustainable energy technologies**. The forthcoming edition of the strategy's Impact Report (soon to be available on our website) highlights that the companies in our portfolio at the end of 2025 sold products and services that helped displace 634 tonnes of CO₂e (per \$1m of portfolio assets) versus continued use of incumbent fossil fuel technologies. In 2025, the companies in the fund (on a 100% ownership basis) grew their carbon dioxide emissions avoided by 11%.

Fifty years on, the lessons from the 1970s still hold: economies dependent on fossil fuel imports are beholden to their volatility, while sustainable energy technologies offer a route to not only reducing greenhouse gas emissions, but also improving energy security. We expect the second global energy shock of the last decade to act as an accelerant for the twin transitions. With a supportive top-down backdrop, improving bottom-up fundamentals, and a compelling valuation, we believe the fund offers investors an attractive entry point into the sustainable energy theme.

PERFORMANCE

Past performance does not predict future returns.

The **Guinness Sustainable Energy Fund** (Class Y, 0.74% OCF) delivered a return of 0.3% in the month, while the MSCI World Index (net return) delivered 2.6% (all in USD terms).

Guinness Sustainable Energy Fund	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs*
Fund (Class Y)	9.1%	16.0%	21.6%	5.0%	159.7%
MSCI World NR Index	13.1%	20.4%	73.3%	70.1%	239.7%
Out/Underperformance	-4.0%	-4.3%	-51.7%	-65.1%	-80.0%

	2025	2024	2023	2022	2021
Fund (Class Y)	26.9%	-11.8%	-0.4%	-12.5%	10.4%
MSCI World NR Index	21.7%	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 1.8%.

WS Guinness Sustainable Energy Fund	YTD	1 Yr	3 Yrs
Fund (Class Y, 0.67% OCF)	8.1%	15.5%	13.5%
MSCI World NR Index	12.2%	20.0%	61.9%
Out/Underperformance	-4.1%	-4.5%	-48.4%

	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 -0.5% in the month in USD, while the MSCI World Index (net return) delivered 2.6% (all in USD terms).

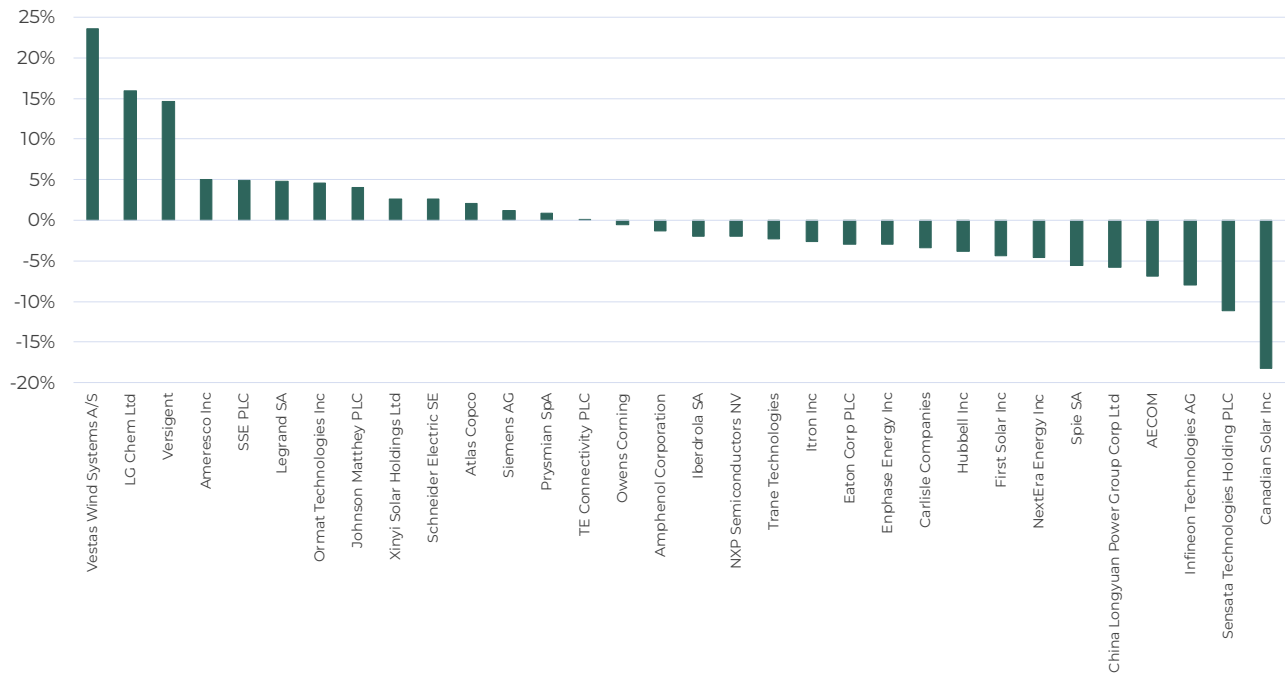
Total return in USD	YTD	1 Yr
Fund (Class A Acc, 0.65% OCF)	8.0%	14.5%
MSCI World NR Index	13.1%	20.4%
Out/Underperformance	-5.1%	-5.9%

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

Data as of 31.08.2026. 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 Vestas Wind Systems A/S, LG Chem Ltd, Versigent, Ameresco Inc and SSE PLC while the weakest performers were Canadian Solar Inc, Sensata Technologies Holding PLC, Infineon Technologies AG, AECOM and China Longyuan Power Group Corp Ltd.

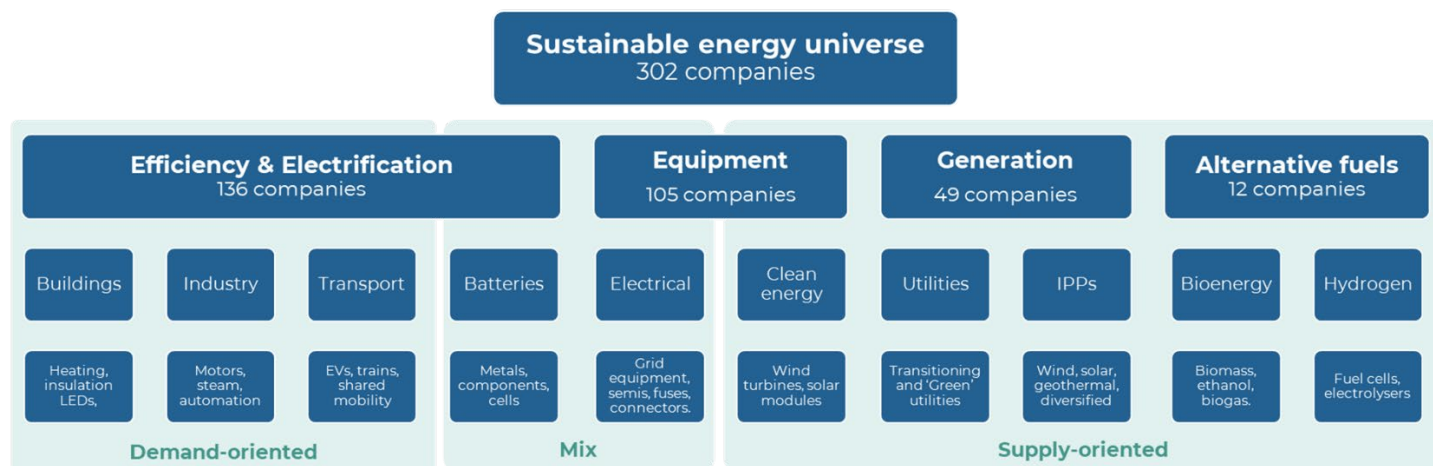
Stock by Stock performance over the month in USD



Source: Bloomberg. Data as of 31.08.2026

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:

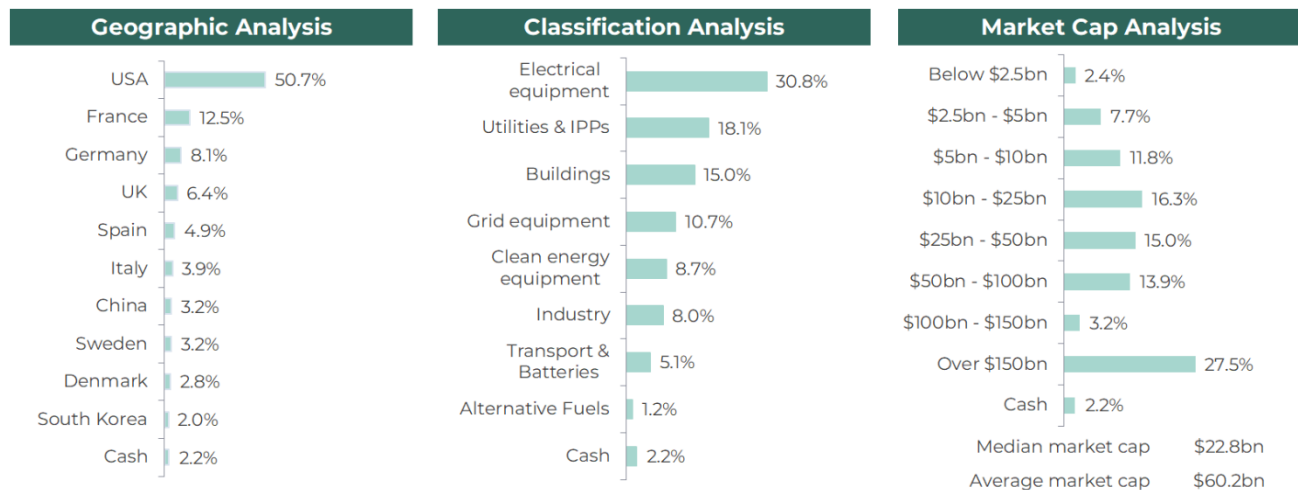
Signatory of:



Buys/Sells

No buys or sells were made in the month.

Portfolio structure analysis



Data as of 31.08.2026. Source: Guinness Global Investors. Portfolio holdings are subject to change.

Portfolio sector breakdown

The following table shows the asset allocation of the Fund at 31 August and at previous year ends.

Asset allocation as %NAV	Current	Change	Year end		Previous year ends					
	Aug-26		Dec-25	Dec-24	Dec-23	Dec-22	Dec-21	Dec-20	Dec-19	
Electrical equipment	30.8%	2.2%	28.7%	26.8%	25.1%	20.3%	19.0%	10.0%	9.6%	
Buildings	15.0%	-0.4%	15.4%	14.8%	9.6%	7.7%	4.2%	3.7%	10.2%	
Utilities & IPPs	18.1%	2.7%	15.5%	20.5%	19.5%	17.7%	23.1%	24.6%	22.2%	
Grid equipment	10.7%	0.1%	10.6%	9.0%	7.6%	7.3%	6.6%	6.1%	5.5%	
Clean energy equipment	8.7%	-2.1%	10.8%	10.3%	15.8%	19.7%	18.7%	28.8%	23.5%	
Transport & Batteries	5.1%	-3.7%	8.9%	11.3%	16.4%	18.5%	19.5%	20.4%	21.7%	
Industry	8.0%	1.0%	7.0%	4.8%	0.0%	0.0%	0.0%	0.0%	0.0%	
Alternative Fuels	1.2%	-0.4%	1.7%	1.8%	1.8%	3.0%	3.7%	3.6%	3.2%	
Cash	2.2%	0.7%	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 31 August 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	23.8x	21.3x	16.9x	13.3x	13.8x	10.5x	1.4%	1.3%	7.2%	17.3%	12.0%	12.9%
MSCI World Index	25.3x	19.8x	17.7x	17.1x	13.9x	12.0x	1.6%	1.7%	6.8%	17.3%	10.5%	11.1%
Fund Premium/(Discount)	-6%	8%	-4%	-22%	-1%	-12%						

*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 August 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.31% 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, especially in the United States, while 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.

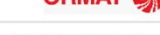
The electrification and efficiency of buildings, industrial activities, and transportation represent a total weight of c.28% and are split as follows:

- 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 August 2026

Theme	Example holdings	Weighting (%)
1 Electrification of energy demand	 	26.0%
2 Modernising the power grid	 	10.7%
3 Rise of the electric vehicle and auto efficiency	 	11.6%
4 Power semiconductors	 	6.3%
5 Wind & solar equipment manufacturing	 	8.7%
6 Low carbon power generation: regulated producers	 	12.8%
7 Low carbon power generation: independent producers	 	6.5%
8 Building and industrial efficiency	 	15.1%
9 Other (inc cash)		2.2%

Portfolio at end August 2026

Guinness Sustainable Energy Fund (31 August 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%	24.9x	17.9x	13.6x	13.1x	12.2x	10.4x	1.1x	0.9x	0.9x	0.0%	n.m.	n.m.	7.7x	6.5x	6.1x
		1.2%															
EFFICIENCY & ELECTRIFICATION																	
Carlisle Cos Inc	US1423391002	2.5%	20.5x	16.8x	14.8x	12.5x	12.3x	11.4x	8.1x	11.4x	9.8x	1.2%	1.3%	1.4%	1.5x	1.8x	1.6x
AECOM	US00766T1007	2.4%	13.5x	16.2x	11.1x	7.8x	10.5x	8.0x	3.7x	3.8x	2.9x	1.6%	1.7%	1.8%	1.3x	1.5x	0.8x
Owens Corning	US6907421019	2.7%	12.9x	14.2x	11.8x	6.8x	8.1x	7.5x	3.0x	3.1x	2.8x	2.2%	2.2%	2.3%	2.3x	2.3x	2.2x
Spie SA	FR0012757854	3.2%	17.5x	14.0x	12.4x	8.7x	8.5x	7.8x	3.4x	3.1x	2.8x	2.4%	2.8%	3.1%	1.4x	2.0x	1.5x
Trane Technologies PLC	IE00BK9ZQ967	4.2%	34.4x	29.4x	25.5x	22.0x	20.7x	18.3x	11.6x	10.4x	9.0x	0.8%	0.9%	0.9%	0.8x	0.5x	0.3x
Siemens AG	DE0007236101	4.8%	30.2x	25.9x	22.5x	19.4x	16.3x	14.5x	3.6x	3.4x	3.2x	1.8%	1.9%	2.1%	3.3x	1.7x	1.3x
Atlas Copco AB	SE0017486889	3.2%	37.9x	34.5x	28.9x	21.8x	20.0x	17.2x	8.9x	8.9x	7.6x	2.4%	1.6%	1.7%	0.5x	0.4x	0.0x
Versigent PLC	JE00BWK75100	0.6%	n.m.	6.5x	5.0x	6.4x	5.4x	5.0x	n.m.	15.1x	5.5x	n.m.	0.7%	1.0%	-0.1x	1.6x	1.4x
Johnson Matthey PLC	GB00BTQHVV80	2.6%	16.2x	n.m.	8.6x	8.6x	n.m.	6.6x	1.3x	n.m.	1.9x	4.2%	n.m.	4.2%	1.8x	n.m.	1.6x
LG Chem Ltd	KR705910008	2.0%	615.0x	n.m.	11.8x	8.9x	7.5x	5.3x	0.6x	0.7x	0.6x	0.7%	0.7%	1.5%	3.5x	3.7x	2.5x
		28.1%															
GENERATION																	
Iberdrola SA	ES0144580Y14	4.9%	23.9x	20.0x	18.8x	13.4x	12.2x	11.4x	2.6x	2.4x	2.4x	3.3%	3.6%	3.8%	4.3x	3.4x	3.5x
SSE PLC	GB0007908733	3.9%	18.8x	n.m.	11.8x	13.4x	n.m.	10.0x	2.8x	n.m.	1.9x	2.5%	n.m.	3.0%	3.0x	n.m.	3.0x
China Longyuan Power Group Co	CNE100000HD4	2.1%	8.9x	9.3x	7.8x	11.7x	11.4x	10.4x	0.5x	0.5x	0.5x	3.3%	3.3%	3.9%	6.6x	6.9x	6.5x
NextEra Energy Inc	US65339F1012	4.1%	27.9x	20.2x	18.6x	19.4x	15.7x	13.6x	3.1x	2.4x	2.2x	2.8%	3.0%	3.2%	6.2x	6.0x	5.8x
Ormat Technologies Inc	US6866881021	3.2%	45.9x	42.4x	40.8x	19.0x	14.4x	13.4x	2.5x	2.3x	2.2x	0.5%	0.4%	0.5%	5.6x	4.4x	4.2x
		18.1%															
EQUIPMENT																	
Amphenol Corp	US0320951017	4.1%	45.2x	29.6x	24.3x	27.8x	17.7x	15.3x	14.4x	10.7x	7.9x	0.5%	0.6%	0.8%	0.6x	0.9x	0.5x
Eaton Corp PLC	IE00B8KQ8N27	4.6%	35.2x	29.8x	25.4x	25.0x	22.4x	19.2x	8.0x	7.2x	6.3x	1.0%	1.1%	1.2%	1.4x	2.1x	1.6x
Hubbell Inc	US4435106079	4.1%	27.2x	22.5x	20.1x	19.5x	17.3x	15.4x	6.4x	5.2x	4.5x	1.2%	1.3%	1.3%	1.3x	2.7x	1.8x
Itron Inc	US4657411066	2.7%	14.6x	15.2x	14.0x	13.5x	13.3x	12.1x	2.6x	2.4x	2.1x	0.0%	n.m.	n.m.	0.9x	1.9x	1.1x
Legrand SA	FR0010307819	4.3%	28.1x	23.6x	20.9x	17.8x	15.7x	14.0x	5.0x	4.5x	4.1x	1.5%	1.9%	2.2%	1.8x	1.7x	1.2x
Prismian SpA	IT0004176001	3.9%	34.9x	25.9x	20.3x	15.9x	14.3x	11.9x	5.4x	4.7x	3.9x	0.7%	0.8%	1.0%	1.2x	0.9x	0.5x
Schneider Electric SE	FR0000121972	5.0%	39.7x	29.8x	25.1x	21.4x	18.6x	16.2x	7.1x	6.4x	5.7x	1.4%	1.5%	1.7%	1.6x	1.2x	0.8x
TE Connectivity PLC	IE0001VNQZ81	3.4%	23.1x	17.7x	15.6x	14.7x	12.2x	10.8x	4.7x	4.3x	3.9x	1.3%	1.5%	1.6%	1.1x	0.7x	0.6x
Infineon Technologies AG	DE0006231004	3.3%	57.9x	32.9x	20.7x	21.3x	16.4x	11.9x	4.5x	4.0x	3.5x	0.6%	0.7%	0.8%	1.4x	0.9x	0.5x
NXP Semiconductors NV	NL0009538784	3.0%	21.9x	14.8x	12.3x	14.4x	11.6x	9.8x	5.6x	4.8x	3.9x	1.8%	1.9%	2.0%	2.0x	1.2x	0.8x
Sensata Technologies Holding P	GB00BFMBMT84	3.1%	9.1x	10.9x	10.0x	6.8x	9.1x	8.5x	2.1x	1.9x	1.7x	0.3%	1.2%	1.3%	2.0x	2.1x	1.7x
Canadian Solar Inc	CA1366351098	1.2%	n.m.	n.m.	16.0x	12.9x	15.8x	9.1x	0.3x	0.3x	0.3x	0.0%	0.0%	0.0%	8.8x	9.4x	5.9x
Enphase Energy Inc	US29355A1079	0.71%	27.5x	18.7x	16.3x	17.4x	14.4x	12.6x	4.5x	3.9x	3.0x	0.0%	0.0%	0.0%	-1.1x	n.m.	n.m.
First Solar Inc	US3364331070	2.9%	13.8x	11.6x	8.7x	8.9x	7.4x	6.0x	2.3x	1.9x	1.6x	0.0%	0.0%	0.0%	-1.0x	n.m.	n.m.
Xinyi Solar Holdings Ltd	KYG9829N1025	1.1%	8.1x	51.2x	14.6x	5.1x	8.9x	6.4x	0.7x	0.6x	0.7x	2.3%	1.3%	3.6%	1.4x	1.5x	0.7x
Vestas Wind Systems A/S	DK0061539921	2.8%	35.7x	21.3x	17.4x	13.5x	9.5x	8.4x	7.2x	6.1x	5.0x	0.3%	0.8%	1.1%	-0.6x	n.m.	n.m.
		50.3%															
Cash	Cash	2.2%															

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

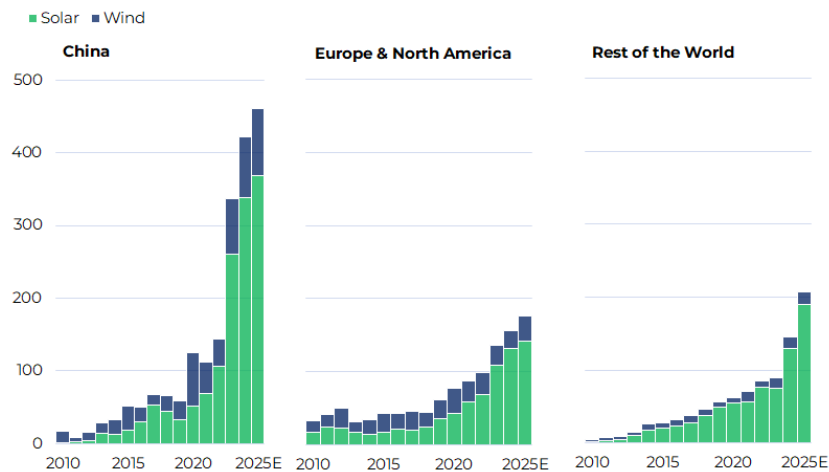
Energy transition policy has been increasingly shaped in recent years by energy security, affordability and industrial competitiveness, against a backdrop of rising power demand. Policy approaches have diverged across regions: the United States has seen a reduction in federal support for some low carbon 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)



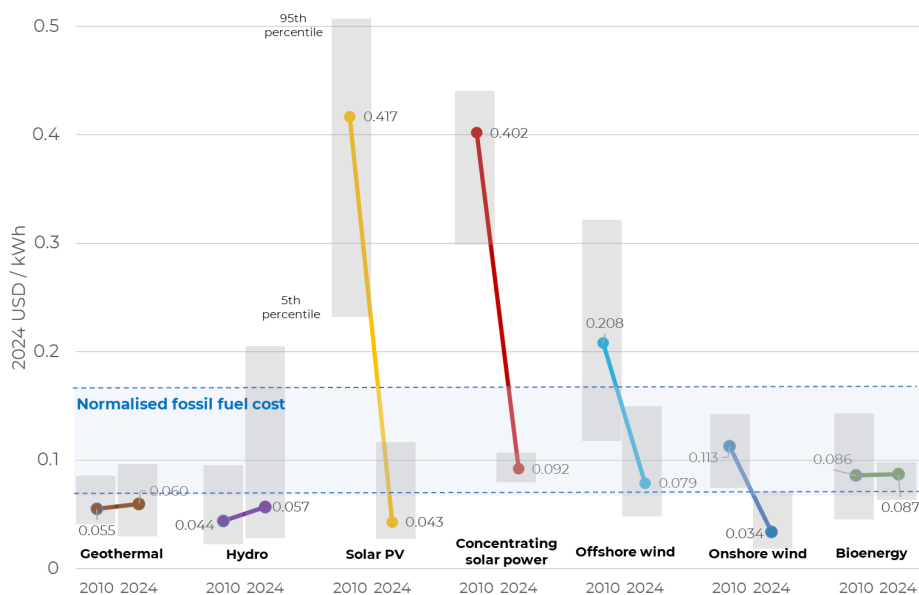
Source: BNEF; Guinness Global Investors

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)

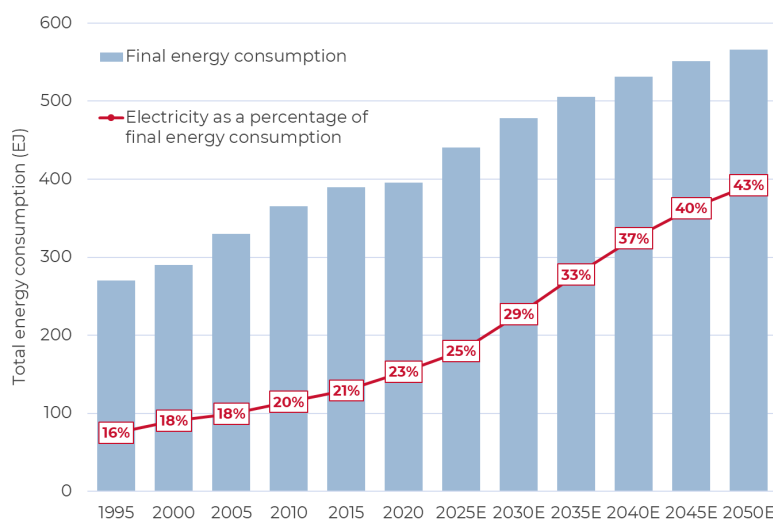


Source: IRENA; Guinness Global Investors, August 2025, percentile ranges from 2024 or 2023 if data if not available

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).

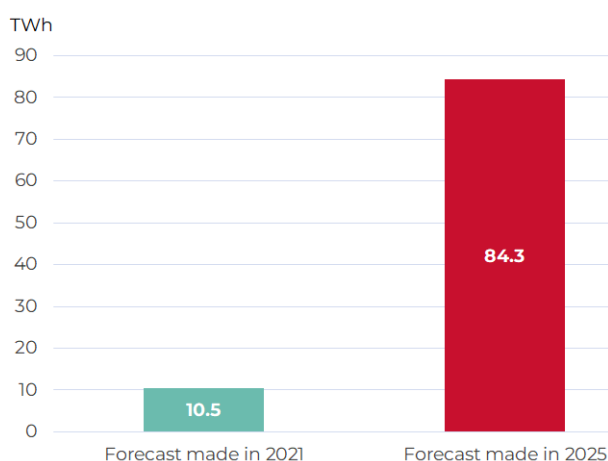
Data centres: heaping near-term pressure on power markets, especially in the US

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.

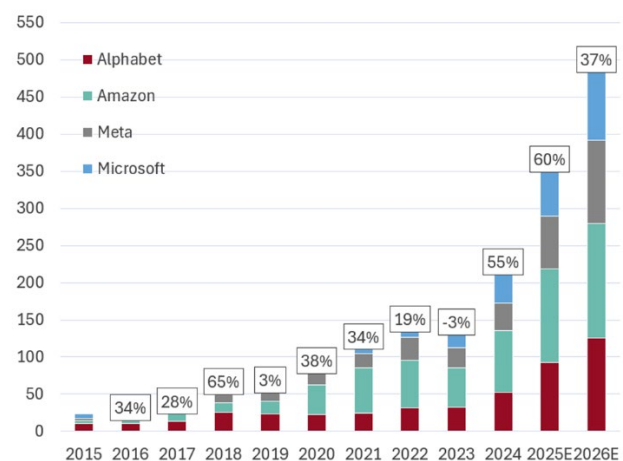
AI demand is also being compounded by the onshoring of manufacturing and the wider electrification of transport, buildings and industry. Investment in new US manufacturing facilities has surged 184% since 2020, driven by semiconductors, batteries, and advanced materials, with the CHIPS Act and IRA spurring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

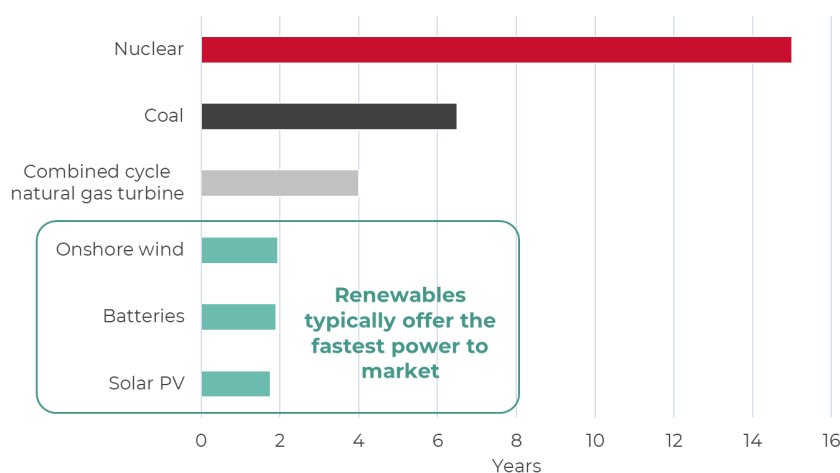


Source: NextEra, Bloomberg, January 2026

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)



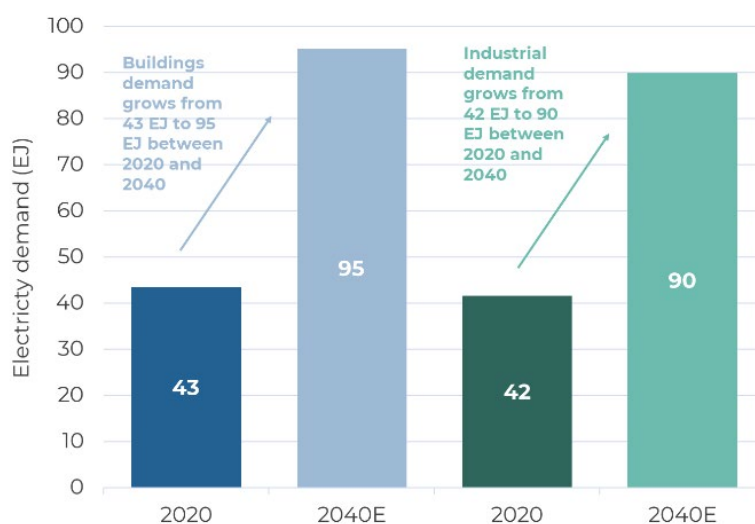
Source: NextEra, August 2025

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 2040E (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

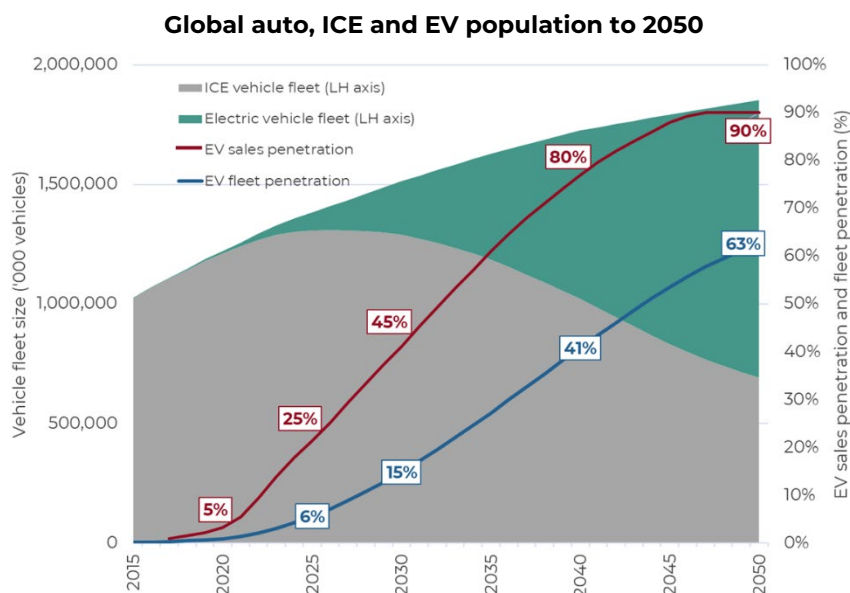
The industrial sector is the largest single consumer of energy globally, accounting for around 40% of final energy demand, and demand will continue to rise as populations expand and economies grow. Today, fossil fuels supply close to 60% of the energy used in emissions-intensive industries such as aluminium, 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

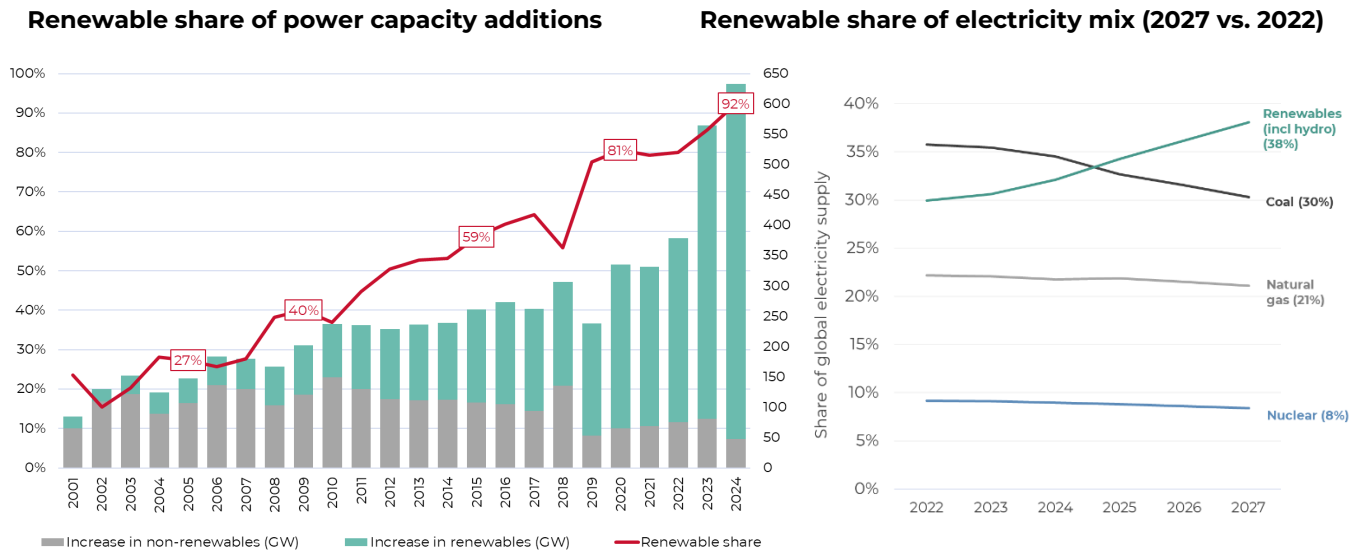
A key pillar of our forecast for rising EV penetration is the continued decline in battery costs and the resulting improvement in EV relative economics. Battery prices (at \$108/kWh in 2025) have already fallen by 93% since 2010 and are expected to fall below \$100/kWh as early as 2026, a milestone widely 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.



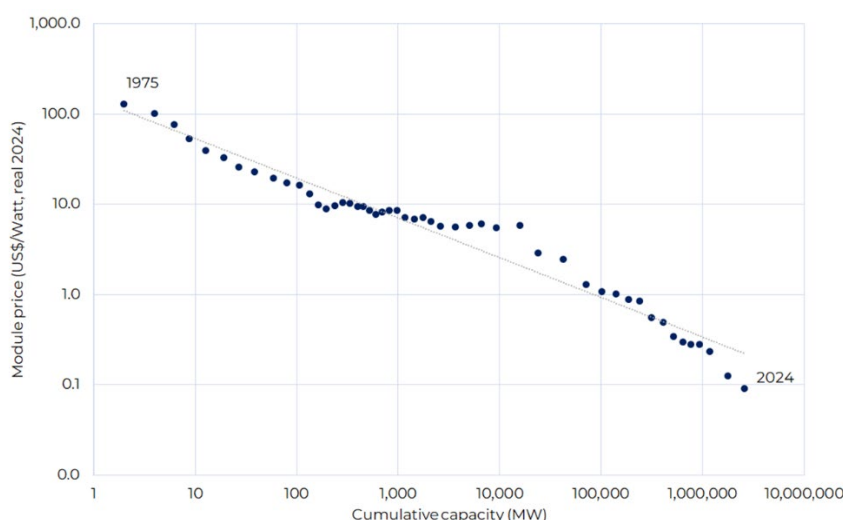
Source: IEA, IRENA, Guinness Global Investors estimates, January 2026

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%.

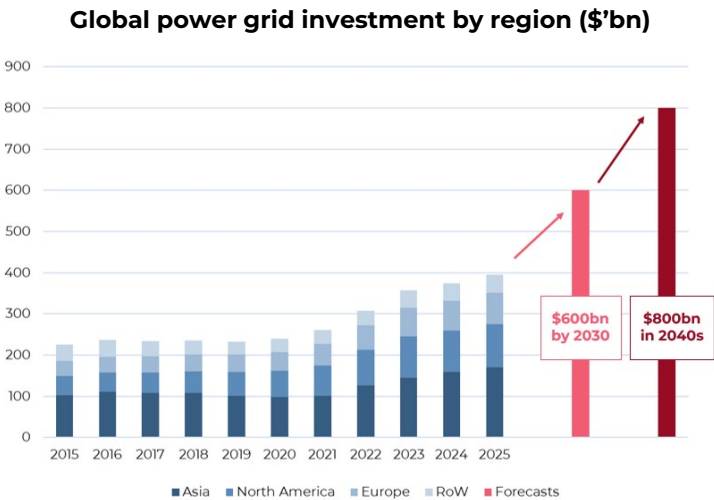
Power grids: a multi-year expansion, replacement and digitalisation cycle ahead

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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A summary of investor rights, including collective redress mechanisms, is available in English here: <https://www.waystone.com/waystone-policies/>

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Australia

For professional investors only.

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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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Structure & regulation

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GUINNESS SUSTAINABLE ENERGY UCITS ETF

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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.guinnessqi.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

The Fund is a sub-fund of HANetf ICAV, an Irish collective asset management vehicle umbrella fund with segregated liability between sub-funds which is registered in Ireland by the Central Bank of Ireland and authorised under the UCITS Regulations.

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