# Guinness Global Real Assets

2026 Annual Review & Outlook

## RISK

This is a marketing communication. Please refer to the Prospectus, supplement and KID/KIID for the Fund (available on our website), which contain detailed information on the Fund's characteristics and objectives and full information on the risks, before making any final investment decisions.

The Fund is an equity fund. 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 Fund invests in companies involved in real assets and infrastructure; it is therefore susceptible to the performance of those two sectors and can be volatile.

Past performance does not predict future returns.

## ABOUT THE STRATEGY

| | |
|---|---|
| **Launch** | 07.07.2025 |
| **Index** | MSCI World Core Infrastructure |
| **Sector** | IA Infrastructure |
| **Managers** | Mark Brennan |
| **EU Domiciled** | Guinness Global Real Assets Fund |

## OBJECTIVE

The Guinness Global Real Assets Fund is designed to provide investors with long-term capital appreciation and income by investing in listed companies that develop, construct, own, finance and operate infrastructure and real estate assets. The Fund invests in a diversified mix of real asset business models with a focus on high-quality companies generating persistent returns on capital. The Fund is actively managed and uses the MSCI World Core Infrastructure Index as a comparator benchmark only.

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## COMMENTARY

For infrastructure and real estate markets, 2025 was a tale of two halves, with the first half of 2025 delivering the majority of the year's total returns. For the Fund's benchmark, the MSCI World Core Infrastructure Index NR USD, year-to-date total return performance as at 30 June 2025 was 13.44%. By 31 December, total returns had only modestly extended to 15.85%. This first-half skew in performance was driven by several factors, including a general outperformance of defensive sectors such as Utilities during the Trump administration's tariff announcements and the associated drawdown in equity markets, as well as continued enthusiasm for companies exposed to the AI infrastructure build-out. The defensiveness of infrastructure was hard to miss in H1 2025, highlighting the differentiated nature of the business models and cash flows. The chart below shows the H1 2025 outperformance of the MSCI World Core Infrastructure Index relative to the MSCI World Index.

*Analysis continued overleaf*

**Infrastructure vs Global Equities – H1 2025**


*Source: Bloomberg, 31st December 2024 to 30th June 2025*

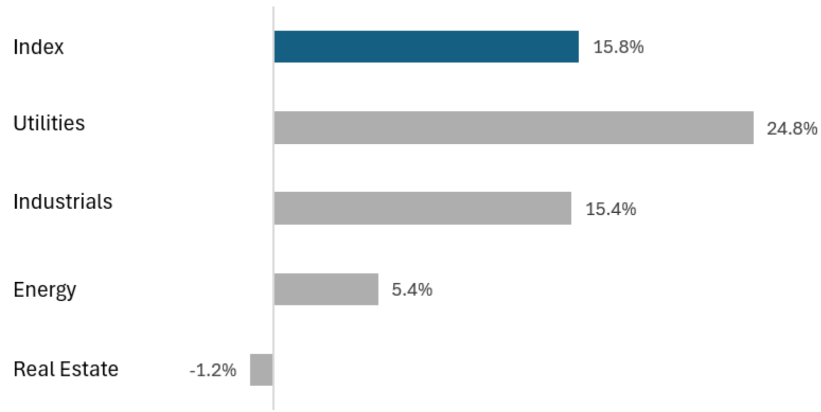
The second half of the year saw more uncertainty and divergence around monetary policy and rate cuts, as well as increased concern and scrutiny over the existence (or otherwise) of an AI bubble. From a UK perspective, the long-trailed budget cast a shadow over most of Q4 as investors sought to digest and anticipate the bond market reaction and the longer-term growth prospects for the economy.

Stepping back from the noise, there have been some positive and important developments across infrastructure and real estate markets that are driving an increasingly positive outlook for investors. Key regulatory processes have concluded during 2025, providing increased certainty and visibility around investment and returns. In the UK alone, the water sector has entered a new five-year regulatory period with substantial opportunities for capital investment, and Ofgem has agreed details of the RIIO-3 framework, which will support substantial investment into the electricity grid through to 2031. This exemplifies the 'defensive growth' opportunity for many infrastructure and real estate companies, which, in the wake of a 2025 dominated by tariffs and tech companies, could attract fresh investor attention.

The continuation of the AI narrative and evolution of this technological revolution will continue to have important implications for real asset-owning companies. As 2025 wore on, 'show me the revenue' became the mantra of investors watching valuations and capex expectations continuing to soar.

Sector performance during 2025, within the MSCI World Core Infrastructure Index, was dominated by Utilities. While comprising just under 50% of the Index, Utilities contributed c.70% of its total return for the year. This outperformance was driven by continued confidence in the growth outlook for Utilities, particularly those most exposed to growth in electricity demand in the wake of AI and broader electrification. Energy delivered positive returns, although weaker, with continued softness in the oil price driving some caution from investors around growth for the sector. Real Estate exposure within the benchmark is primarily focused on tower companies, which had a challenging year amid M&A by underlying tenants and some investor concern about medium-term growth. The broader Real Estate backdrop, outlook and positioning is discussed in greater detail later in this commentary.

**MSCI World Core Infrastructure Index (USD) Sector Returns (Full Year 2025)**

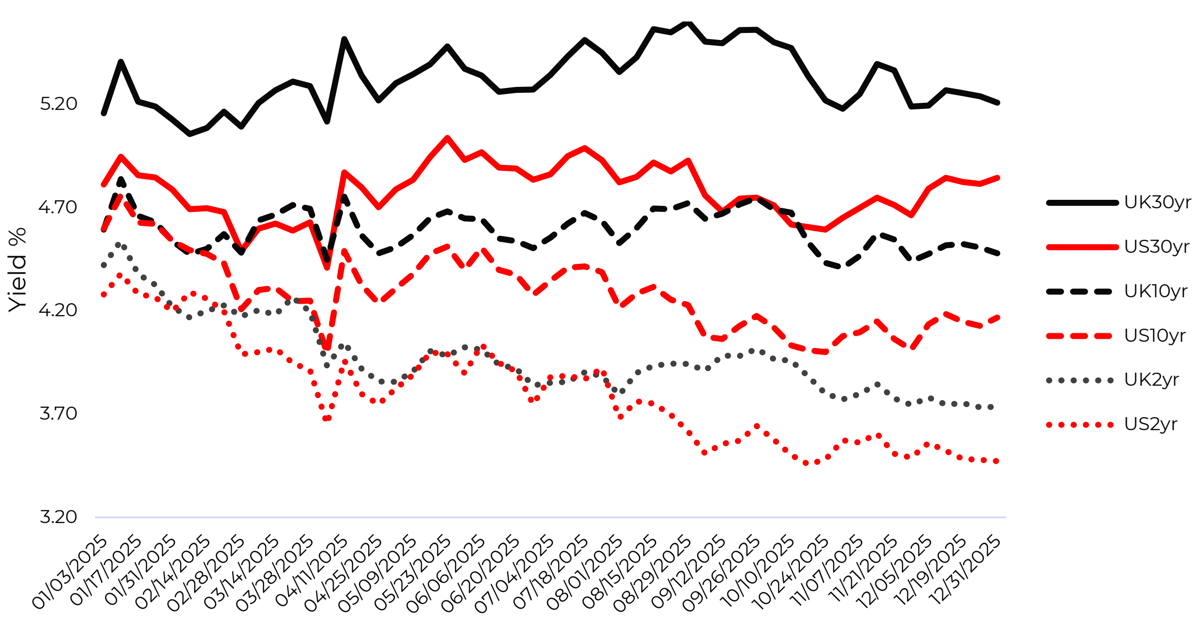



*Source: MSCI, 31.12.2025*

2025 saw the continuation and acceleration of the rate-cutting cycle, with central banks lowering policy rates around the world. The response in terms of market yields has varied across maturities, and it has been interesting to see that while the shorter end of the yield curve has come down, longer-dated government bond yields ended 2025 more or less where they started. The table and chart below show the journey of 30yr, 10yr and 2yr yields for UK Gilts and US Treasuries during 2025, over which period policy rates fell by 100bps and 75bps, respectively. On both sides of the Atlantic, 30yr yields actually went up, and only the shortest end of the curve responded meaningfully to central bank action.

| | Yields | | |
|---|---|---|---|
| | 31/12/2024 | 31/12/2025 | Delta |
| **UK 30yr Gilts** | 5.13% | 5.21% | +8bps |
| **UK 10yr Gilts** | 4.57% | 4.48% | -9bps |
| **UK 2yr Gilts** | 4.39% | 3.74% | -66bps |
| **US 30yr Treasuries** | 4.78% | 4.84% | +6bps |
| **US 10yr Treasuries** | 4.57% | 4.12% | -45bps |
| **US 2yr Treasuries** | 4.24% | 3.47% | -77bps |

**US and UK Government Bond Yields (2025)**




*Source: Bloomberg, 31st December 2025*

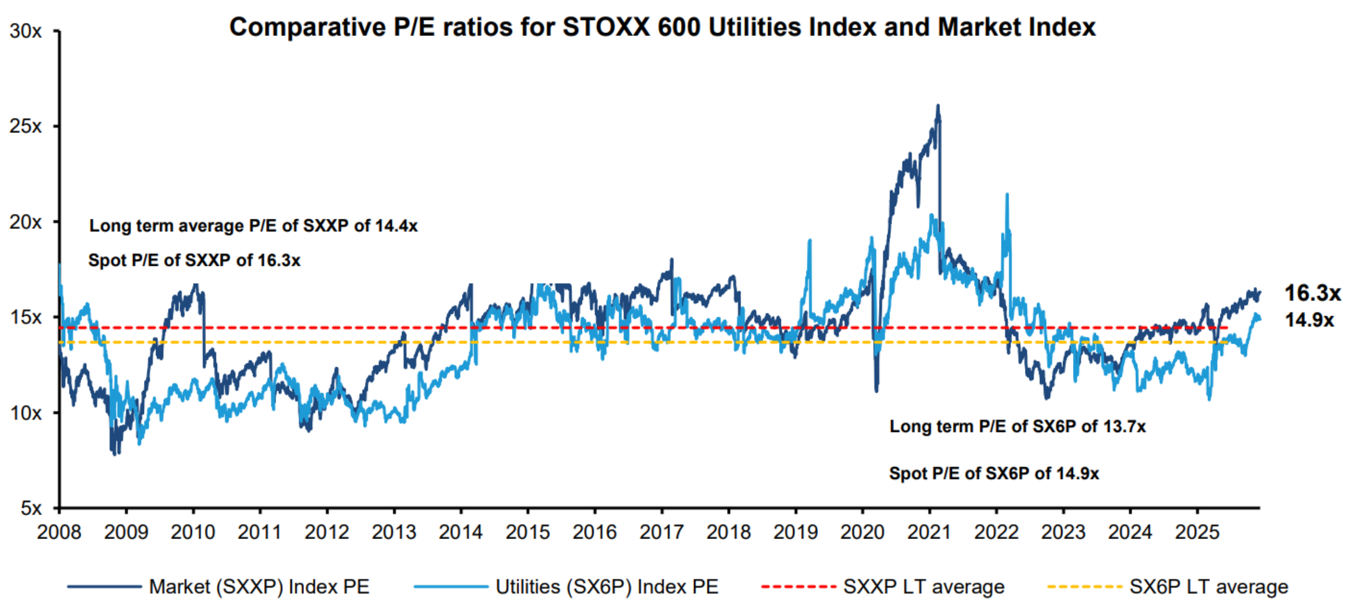
This steepened yield curve clearly has broad implications for global economies, but also for infrastructure and real estate companies that rely on debt financing for their ongoing business models. The outlook for additional rate cuts globally remains uncertain, with patchy economic data in the US following the government shutdown only adding further complexity to the next stages of the easing cycle. Many companies are still seeing their overall cost of debt service going up as they refinance out of Covid-era rates into the prevailing market rates. Within this context, the infrastructure and real estate companies that have the strongest balance sheets in terms of flexibility, staggered refinancing profiles and investment-grade ratings will likely outperform their peers and generate stronger returns to equity investors. Whilst hard to demonstrate objectively, there is a broad consensus that any higher financing costs that may indeed materialise are already substantially priced in.

Overall, the continued lowering of rates and yields should remain a tailwind for infrastructure and real estate companies as we head through 2026.

## OUTLOOK FOR 2026

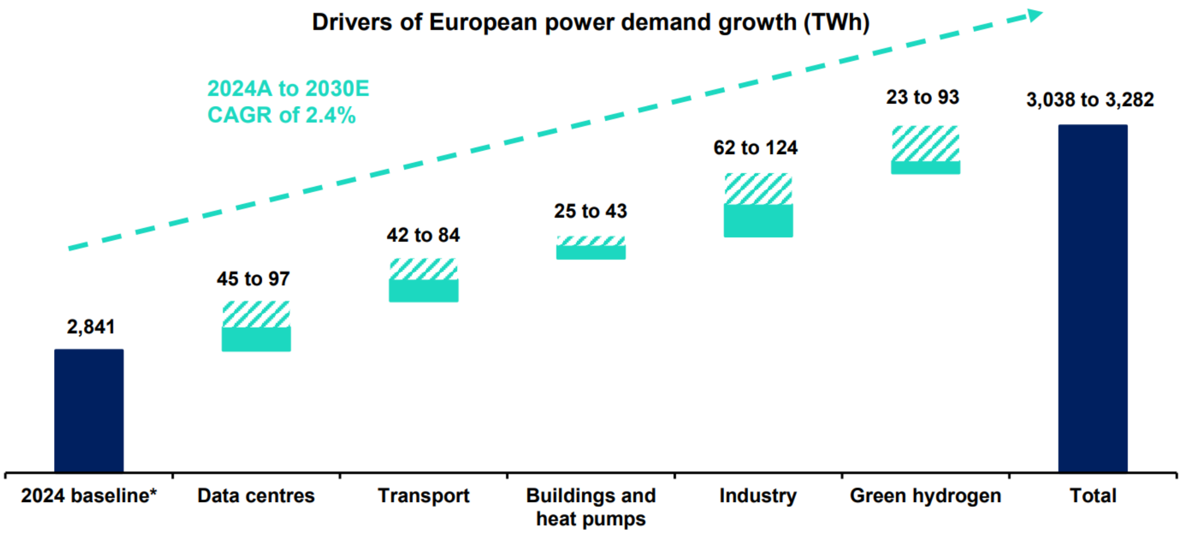
### Power Play – Utilities Continue to Shine

One compelling sector to highlight as we look ahead is the European utility sector, which has been slightly in the shadow of the US utilities when it comes to growth and return expectations. Despite a strong 2025, European utilities still trade a discount to the wider market of c.9%, which is below the long-term discount of 5%.




*Source: Bloomberg, Bernstein analysis, 5th December 2025*

Alongside the valuation positioning of the European utility sector, the outlook for electricity demand growth is also a key consideration for investors. Thus far, Europe has lagged the US in terms of electricity demand growth, with industrial demand yet to fully recover post-COVID. However, on a forward-looking basis, the growth in data centre demand alongside other drivers puts Europe in a position to return to growth and provide utilities with some attractive opportunities to execute on generation, transmission and distribution. Estimates from Bernstein suggest a range of contributors (not just data centres) which could drive 2.4% annual growth in demand through to 2030.




*2024 baseline = EU27+UK+Norway

*Source: McKinsey, BNEF, IEA, Hydrogen Europe, Eurelectric, European Heat Pump Association, Bernstein analysis and estimates, 2025*

This combination of attractive valuation positioning, combined with an inflexion in demand for electricity, we think, puts European utilities in a favourable position for investors seeking to identify attractive exposures within infrastructure for 2026 and beyond.

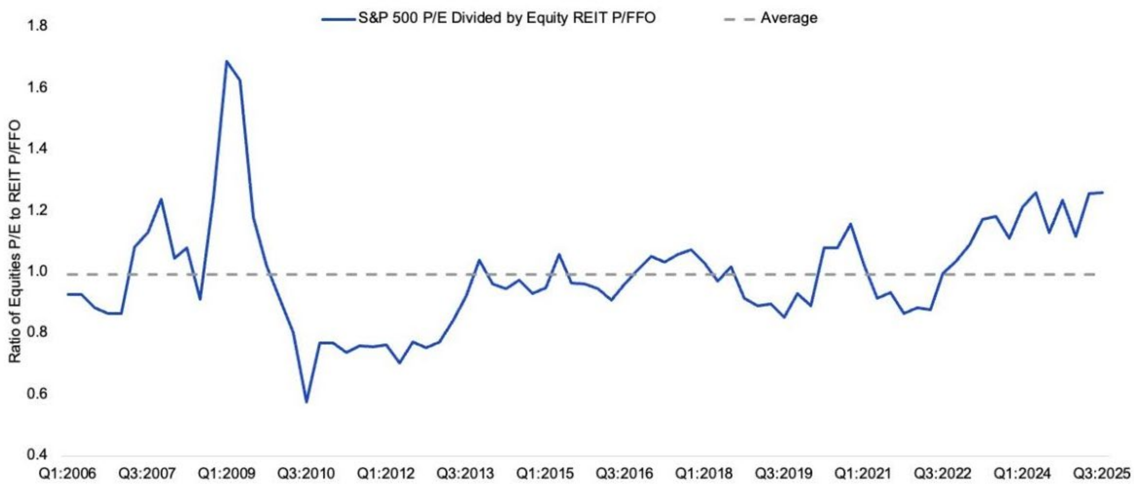
## Real Estate – Dispersion and Opportunity

2025 was a broadly soft year of performance for listed real estate and real estate investment trusts (REITs). The globally-focused FTSE EPRA Nareit Developed TR Index (USD) delivered total returns of 10.70% in 2025, roughly half those of the MSCI World Index, and lagged the 15.85% delivered by the MSCI World Core Infrastructure Index. Behind this headline sit a number of important trends and themes. At a sector level, areas like healthcare and logistics led performance during 2025, with timberland, data centres and residential lagging. From a regional perspective, 2025 was somewhat unusual as the US lagged the rest of the world in returns from listed real estate. This can be partly explained by the US market's broad sector exposure, whereas regions such as Asia have more concentrated sector exposure (for example, to generalist REITs), which happened to perform very strongly in 2025.

Looking to 2026, we expect return dispersion to continue across sectors as rates normalise and key secular drivers around healthcare and AI continue to translate into fundamental performance and earnings growth for certain sectors and regions. Data centre REITs suffered from some of the AI bubble narrative and turbulence during the second half of 2025, but there is potential for outperformance coming into 2026 as earnings performance and the diversification of tenant bases gain greater recognition from the market.

In terms of valuation positioning for listed real estate, analysis from Nareit (the North American Real Estate Investment Trust Association) shows that US REIT valuations relative to the S&P 500 are currently at historically dislocated levels. The chart below shows the S&P 500 forward price-earnings ratio divided by the equity REIT price-to funds-from operations (P/FFO) ratio. A ratio of greater than 1 shows an expansion of S&P 500 valuations relative to REITs.

**Comparative Earnings Valuations Equity REITs vs. S&P 500 Earnings Valuations**




*Source: Nareit, FactSet Research Systems, S&P Global Market Intelligence, Q3 2025*

In periods of time where this gap has closed, REITs have historically outperformed equities. In the case of the GFC, Nareit's analysis shows that after the equity-REIT ratio had peaked at 1.7 in October 2009, it subsequently reduced to 0.9 four quarters later, during which period the FTSE Nareit Equity REIT index delivered a total return of 106.7% compared with a gain of 49.8% from the S&P 500. Similarly, during Covid, the equity-REIT ratio peaked at 1.2 in Q4 2020 and reduced to 0.9 by Q4 2021, with REITs outperforming equities by 12.6% over the same period (FTSE Nareit Equity REIT Index vs S&P 500). The current (Q3 2025) ratio of 1.3 is historically elevated, and whilst predicting the timing of any reduction is impossible, the outlook for REITs into 2026 from a relative valuation perspective looks very supportive in this context.

We think remaining selective in real estate exposure will be an important discipline in 2026. Real estate encompasses a wide range of asset types, tenant credit quality and fundamental growth drivers. Healthcare sub-sectors such as senior housing in the US remain among the most attractive areas to invest, with constrained supply coinciding with structural growth built upon the ageing baby boomer generation. Government-backed primary healthcare business models look similarly attractive in several markets, particularly in the UK, where a period of underperformance in 2025 has opened up what we see as a historic valuation opportunity underpinned by stable and growing dividends. Data centre and tower REITs underperformed during 2025, largely on sentiment, but again we see the long-term drivers of digitalisation and AI-related growth as multi-decade opportunities underpinned by diversified and high-credit tenant bases.

Looking across the real asset landscape, 2026 is set up to be a year where starting valuations, improving earnings growth, stable dividends and proven defensiveness should underpin returns. To the extent that the AI trade continues to shape wider markets over 2026, infrastructure and real estate companies should continue to stand out as they deliver contracted, inflation-linked streams of cashflow and avoid speculative capex. The macro backdrop, as rates continue to ease, should also act as a tailwind for the sector during the year.

**Portfolio Manager**

Mark Brennan

## GUINNESS GLOBAL REAL ASSETS FUND - FUND FACTS

| | |
|---|---|
| Fund size | $4.1m |
| Fund launch | 07.07.2025 |
| OCF | 0.77% |
| Benchmark | MSCI World Core Infrastructure |

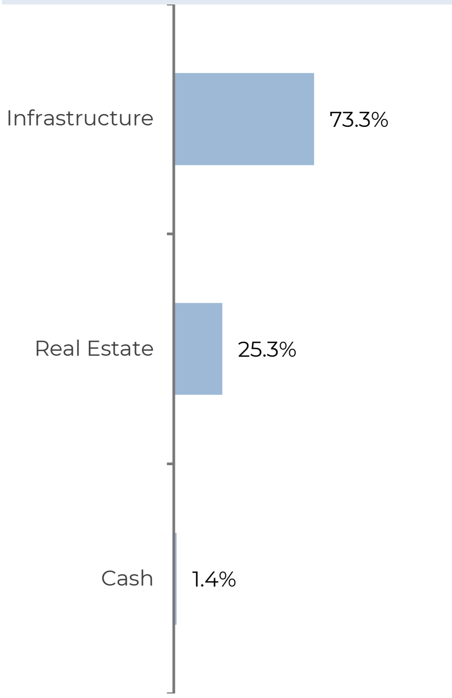
## GUINNESS GLOBAL REAL ASSETS FUND - PORTFOLIO

### Top 10 holdings

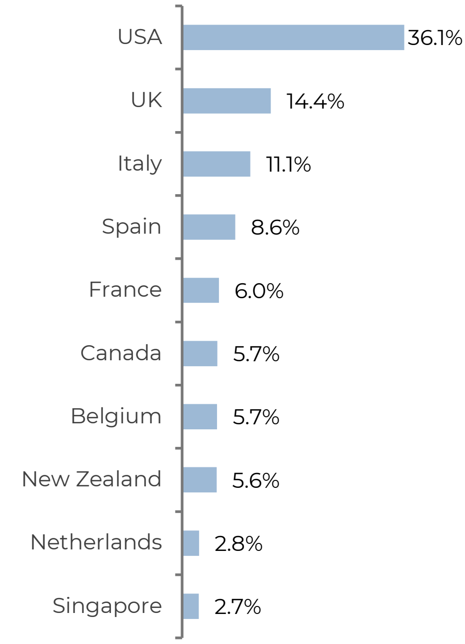
| | |
|---|---|
| ENGIE | 3.2% |
| Ventas | 3.0% |
| Primary Health Properties | 3.0% |
| Cellnex Telecom | 3.0% |
| Elia Group | 2.9% |
| Prologis | 2.9% |
| 3I Infrastructure | 2.9% |
| Brookfield Infrastructure | 2.9% |
| Iberdrola | 2.9% |
| Severn Trent | 2.9% |

| | |
|---|---|
| Top 10 holdings | 29.5% |
| Number of holdings | 35 |

### Sector




### Country



# IMPORTANT INFORMATION

**Issued by Guinness Global Investors**, a trading name of Guinness Asset Management Limited, which is authorised and regulated by the Financial Conduct Authority.

This report is primarily designed to inform you about equities and equity markets invested in by the Guinness Global Real Assets Fund. It may provide information about the Fund's portfolio, including recent activity and performance. It contains facts relating to the equity markets and our own interpretation. Any investment decision should take account of the subjectivity of the comments contained in the report. OCFs for all share classes are available on www.guinnessgi.com.

This document is provided for information only and all the information contained in it is believed to be reliable but may be inaccurate or incomplete; any opinions stated are honestly held at the time of writing, but are not guaranteed. The contents of the document should not therefore be relied upon. It should not be taken as a recommendation to make an investment in the Fund or to buy or sell individual securities, nor does it constitute an offer for sale. If you decide to invest, you will be buying shares in the Fund and will not be investing directly in the underlying assets of the Fund.

**Documentation**

The documentation needed to make an investment, including the Prospectus, Supplement, Key Information Document (KID) / Key Investor Information Document (KIID) and the Application Form, is available in English from www.guinnessgi.com or free of charge from:-

- the Manager: Waystone Management Company (IE) Limited (Waystone IE) 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.

**Investor Rights**

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

**Residency**

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.**

**Structure & regulation**

The Fund is a sub-fund of Guinness Asset Management Funds PLC (the "Company"), an open-ended umbrella-type investment company, incorporated in Ireland and authorised and supervised by the Central Bank of Ireland, which operates under EU legislation. If you are in any doubt about the suitability of investing in this Fund, please consult your investment or other professional adviser.

**Switzerland**

This is an advertising document. The prospectus and KID for Switzerland, the articles of association, and the annual and semi-annual reports can be obtained free of charge from the representative in Switzerland, Reyl & Cie S.A., Rue du Rhône 4, 1204 Geneva, Switzerland. The paying agent is Banque Cantonale de Genève, 17 Quai de l'Ile, 1204 Geneva, Switzerland.

**Singapore**

The Fund is not authorised or recognised by the Monetary Authority of Singapore ("MAS") and shares are not allowed to be offered to the retail public. The Fund is registered with the MAS as a Restricted Foreign Scheme. Shares of the Fund may only be offered to institutional and accredited investors (as defined in the Securities and Futures Act (Cap.289)) ('SFA') and this material is limited to the investors in those categories.

Telephone calls will be recorded and monitored