Guinness Sustainable Energy

Investment Commentary – February 2026

RISK

This is a marketing communication. Please refer to the Prospectus, Supplement and KID/KIID 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 movement, 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.

ABOUT THE STRATEGY

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

INVESTMENT POLICY

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 twenty 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.

CONTENTS

COMMENTARY

OUTLOOK FOR WIND

This month, we take the opportunity to review the global wind industry in 2025 and comment on the outlook for 2026 and beyond. With material developments across the major wind markets in recent weeks, and the recommitment to developing the industry in both Europe and China, we remain confident in the long-term outlook for the global wind industry.

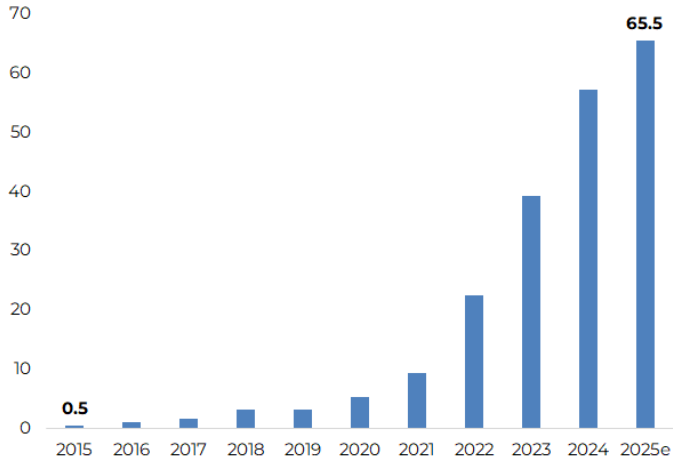
EQUITIES

The Guinness Sustainable Energy Fund (Class Y) delivered a return of +6.2% (in USD) in January, outperforming the MSCI World Index, which returned +2.2%. In a volatile month for global equity and commodity markets, the fund's top performers came from a diverse set of subsectors. Among the top performers were Prysmian and Enphase. The fund's bottom performers were solar equipment manufacturers Canadian Solar and First Solar.

CHART OF THE MONTH: GLOBAL BESS INVESTMENT

The International Energy Agency (IEA) reports that global investment into battery energy storage systems has increased from $0.5 billion in 2015 to an expected $65 billion in 2025. Demand has inflected in recent years as battery costs have fallen and renewables have continued to penetrate the electricity mix.

Global battery energy storage investment ($bn)



Source: IEA, February 2026

PRI Principles for Responsible Investment

JANUARY 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
Global investment in the energy transition increased 8% year-on-year in 2025, according to Bloomberg New Energy Finance (BNEF). The largest investment drivers were electrified transport ($893 billion), renewable energy ($690 billion), and grid investment ($483 billion), with all increasing except for renewable energy, which fell as a result of changing power market regulation in China. BNEF also report that clean energy supply investment outpaced fossil fuel supply for the second consecutive year, with the gap widening from $85 billion to $102 billion. China continues to be the largest market, investing $800 billion in 2025, while Europe was the fastest-growing region, with investment rising 18% in the year.	Energy Transition Investment	
The UK government is taking steps to extend the operating life of the Sizewell B nuclear power station by a further 20 years. EDF and Centrica, the plant's operators, are seeking £800 million of investment to extend operations from 2035 to 2055. Sizewell B currently supplies around 3% of the UK's electricity, and extending its lifespan would help bridge the anticipated supply gap before new generating capacity comes online after 2030. As the UK's only pressurised-water reactor, Sizewell B is the only power station that has the capability to be extended for such a long period.	Nuclear Generation	
In January, the White House called on PJM, the largest US power grid operator, to hold an emergency capacity auction to prevent power shortages as electricity demand surges, largely due to the build-out of AI data centres. The administration is pushing for measures such as price caps and requiring large power users to help fund new generation, while PJM considers changes such as requiring data centres to bring their own generation or face curtailment to manage reliability risks and rising costs ahead of expected new capacity coming online later in the decade.	US Power Demand	
In December, fully electric car sales in the European Union surpassed petrol-only vehicle sales for the first time, marking a milestone in the region's shift toward electrification, even as policymakers have proposed easing emissions regulations. Data from the European Automobile Manufacturers' Association showed battery-electric registrations outpaced petrol, with overall car sales rising for a sixth consecutive month and reaching their highest levels in five years.	Electric Vehicle Adoption	
In Australia, solar energy provided 30% of all electricity in the country's main grid, across day and night. During the day, solar was able to meet 59% of electricity demand, with more than half of this coming from small-scale systems spread across roughly 4 million roofs. As a result, coal has taken a more flexible, back-up role in the system. Over the last three months of 2025, renewables accounted for more than 50% of electricity generation in Australia, supporting a 44% fall in wholesale electricity prices compared with the same period in 2024. Despite ongoing challenges in infrastructure and political resistance, the grid has handled extreme heatwave demand without major issues, marking a significant transition in Australia's energy mix.	Solar Generation	

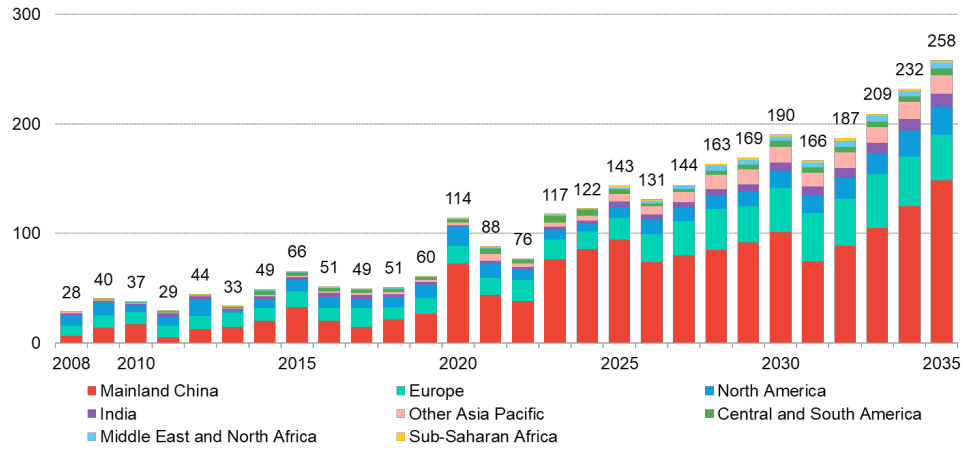
MANAGERS' COMMENTS

With record global installations and a number of material developments across the major wind markets in recent weeks, we take this opportunity to review the global wind industry in 2025 and comment on the outlook for 2026 and beyond. With Europe and China reaffirming their commitment to developing the industry, we remain confident that wind's attractive relative economics will continue to drive further adoption.

2025 in review: Global installations reached record levels, led by China

The global wind market looks to have grown around 17% in 2025, with installations reaching an all-time high of 143 GW. This was led by a reacceleration of **onshore wind** installations, with an anticipated record 130 GW of capacity added, representing 18% annual growth.

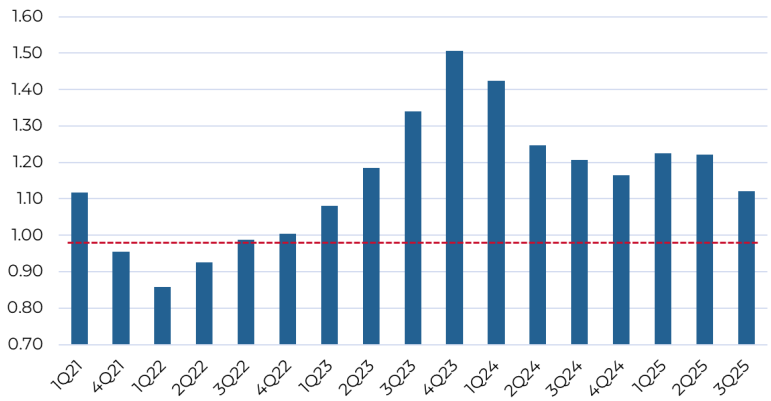
Global wind: annual installations GW



Source: BNEF, February 2026

Similar to the last ten years, mainland China was the largest market in 2025, with installations of around 85 GW. Elsewhere, India continues to see strong growth and is likely to surpass 5 GW of annual installed capacity for the first time. However, 2025 is also expected to have been a record year for Europe, the Middle East, and Africa with 17 GW of capacity added, due to a rebound in key markets such as Germany, Sweden and France. Consistent book-to-bill ratios over 1x in Europe suggest that the outlook for demand in this market will remain strong over the coming years. In the Americas, onshore installations are expected to grow 11% year-over-year, with a rebound in the US offsetting weakness in Latin America. Encouragingly, growth looks to be increasingly demand-driven rather than subsidy-driven, with corporate power purchase agreements (PPAs), data centre expansion and electrification producing structural support across Europe, the US and parts of the Asia Pacific.

Trailing 12-month Book to Bill for European Wind Turbine OEMs



Source: Guinness Global Investors, Bloomberg, February 2026

Offshore wind installations continued to expand in 2025, anchored by strong activity in Europe and sustained large-scale deployment in China. The sector has faced headwinds in recent years, with higher interest rates, cost inflation and supply chain disruptions putting pressure on project economics. However, with some of these headwinds easing, capacity additions are likely to have surpassed 13 GW in 2025. China was the largest market for offshore wind in 2025, with additions of 9.6 GW, supported by domestic supply chains and supportive financing policies. Elsewhere, the US offshore wind industry has come under pressure from the Trump administration, and the outlook for the sector looks to be more challenging in the short term.

Developments in the wind market and the outlook for 2026

While 2025 marked a year of record installations and increasingly diversified growth, we move into 2026 with some questions around the Chinese market, following recent power market reforms. That said, numerous recent announcements and policy developments point to continued positive momentum in most markets, particularly Europe. Here, we review the most material developments.

The UK Department for Energy Security and Net Zero announced a record offshore wind auction

Despite being the world's second-largest offshore wind market, the UK has faced challenges in recent years, with cost inflation and higher interest rates contributing to a decline in capacity awarded in the 2023 auction round. Against this backdrop, it was encouraging to see the UK government's latest Contracts for Difference (CfD) auction award over 8.4 GW of offshore wind capacity, comprising 8.2 GW of bottom-fixed projects and two floating offshore wind projects totalling approximately 0.2 GW. The auction set a new record for offshore volumes and materially exceeded market expectations of 4–5 GW.

The strong auction outcome was supported in October by a doubling of the annual budget for UK offshore wind CfDs from £0.9bn to £1.8bn. The increased financial support enabled the government to raise strike prices to around £90/MWh, a level sufficient to support viable bidding following recent inflationary pressures and higher interest rates, while remaining below the threshold Aurora Energy Research believes would raise UK electricity prices. The improved funding also enabled contracts to be offered for 20-year terms, compared with 15 years in earlier rounds.

Encouragingly, around 1.7 GW of awarded capacity is expected to come online in 2028–29, implying near-term construction activity and earlier-than-expected turbine ordering. On the back of these results, the UK is on track to have approximately 36 GW of offshore wind capacity operational within the next four years, broadly aligning with its 2030 targets and reinforcing its position as the world's second-largest offshore wind market.

Europe reaffirmed its long-term commitment to offshore wind with a multilateral target

In January, a collection of ten European countries signed the Hamburg Declaration, committing to the development of 100 GW of cross-border offshore wind capacity in the North Sea by 2050. The agreement builds on the earlier Esbjerg and Ostend declarations and sits within a broader ambition to reach 300 GW of offshore wind capacity over the same period.

The Hamburg Declaration is notable for its emphasis on cross-border collaboration, shifting away form a model where offshore wind is planned and delivered on a country-by-country basis. Under the agreement, the proposed capacity is intended to deliver power across borders, with the aim of improving security of supply and reducing overall system costs. Once fully deployed, the projects are estimated to provide sufficient electricity to power nearly 150 million households. For European wind developers, the Declaration signals a sustained and coordinated pipeline of large-scale projects, providing visibility that should support investment into the sector.

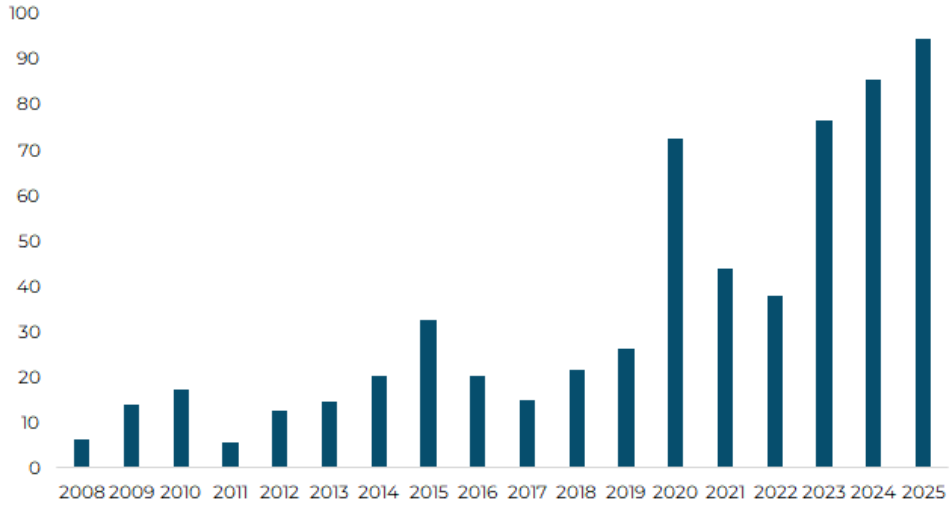
China upgraded its national targets via the Beijing Declaration on Wind Energy 2.0

Since the signing of the first Beijing Declaration on Wind Energy in 2020, global wind industry growth has been driven primarily by the large-scale build-out of capacity in mainland China, which accounted for around 50% of the global installed base as of 2024. This dominance has continued in the near term, with China expected to have contributed approximately 66% of global wind installations in 2025.

While China's share of global installations remains substantial, the introduction of a market-based power regime has led to uncertainty about the outlook for the region's growth. Under the new regime, feed-in tariffs have been replaced with liberalised market trading, meaning that renewables are competing head-on with fossil fuels. Although this will likely introduce short-term headwinds and lower expectations for installations in the coming years, we are encouraged to see that Beijing has updated its capacity targets in its Declaration on Wind Energy 2.0. Under the new plan, China will aim to install no less than 120 GW of new capacity every year between 2026 and 2030, including 15 GW of offshore capacity. This would

ensure that China's cumulative wind power capacity reaches 1,300 GW by 2030 and 2,000 GW by 2035, and puts them on track to achieve Beijing's longer-term target of installing 5,000 GW of wind capacity by 2060.

China wind installations 2008-2025 (GW)



Source: BNEF, February 2026

Despite policy headwinds, rising power demand should support industry growth in the US

Since coming into office, the Trump administration has taken steps that have increased policy uncertainty for the US wind industry. While amendments to President Biden's Inflation Reduction Act (IRA) were ultimately less restrictive than feared, the One Big Beautiful Bill Act (OBBBA) accelerated the phase-out of utility-scale wind Investment and Production Tax Credits, raising the cost of developing new projects. Subsequent clarifications, however, materially improved the outlook by extending the eligibility windows for remaining tax credits, and wind-related manufacturing tax credits were confirmed to remain in place through 2027.

In offshore wind, the administration has adopted a more interventionist stance, issuing stop-work orders on five major projects despite construction already being underway. While these actions introduced near-term disruption, projects have been able to proceed following successful legal challenges, with the US still expected to add around 5.8 GW of offshore wind capacity between 2025 and 2029.

Despite these policy headwinds, we continue to see a supportive backdrop for wind in the US for the medium to long term, underpinned by structurally rising electricity demand. Utilities and policymakers are facing sustained growth in power consumption driven by AI data centres, the reshoring of manufacturing, and the broader electrification of transport, buildings and industry. Meeting this demand requires new generation capacity to be deployed at speed and at scale, where wind remains well-positioned on both cost and delivery timelines.

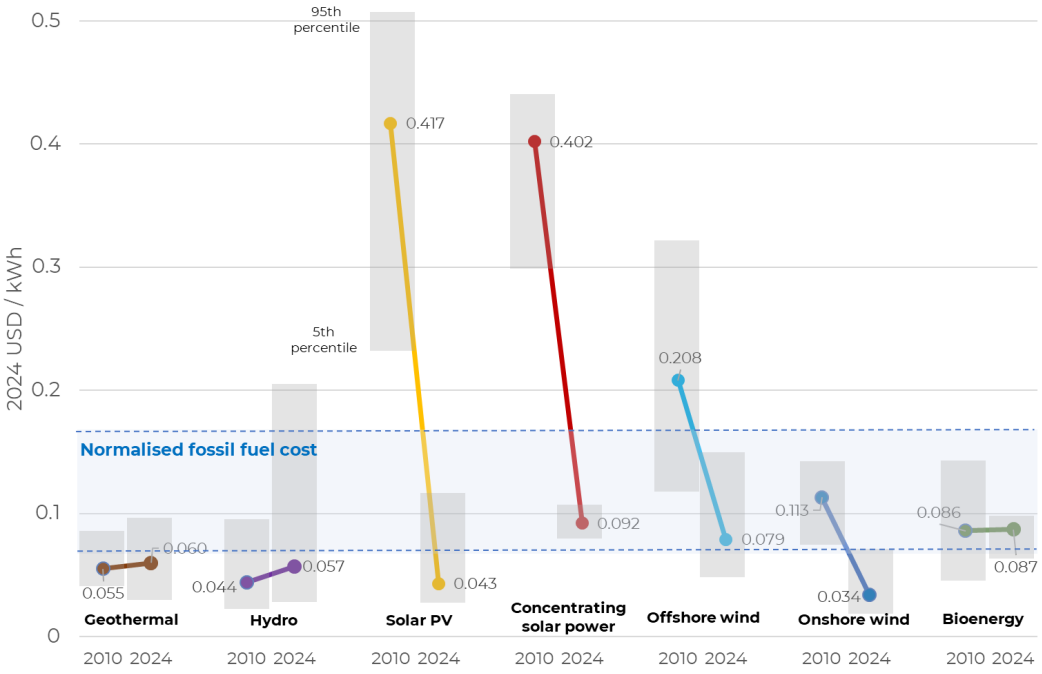
In this context, the outlook for onshore wind remains constructive. Installations are estimated to have increased by around 25% in 2025 to approximately 7 GW, with growth expected to average close to 9% per annum over the next decade as US power demand inflects structurally higher. Given its competitive economics and its ability to be deployed quickly, we continue to believe onshore wind will play a central role in the evolution of the US electricity mix.

Outlook for 2026

Looking ahead to 2026, the outlook for global wind demand will depend on how China adjusts to its new market-based power regime. As mentioned earlier, the country has replaced fixed feed-in tariffs with liberalised market trading, potentially introducing short-term headwinds for developers. However, with Beijing announcing new targets of no less than 120 GW of capacity additions per year, we take confidence that China will continue to expand its domestic industry as its electricity demand continues to grow. Outside of China, the global wind market is increasingly diversifying, with strong contributions from India, Europe and parts of Southeast Asia expected in 2026. The offshore 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 continue to believe that wind will increase its share of the global electricity mix, underpinned by favourable economics and improvements in technology. Research from the International Renewable Energy Agency (IRENA) in 2025 demonstrates that both onshore and offshore wind generation are among the cheapest forms of new electricity in most situations. With an estimated Levelized Cost of Electricity (LCOE) ranging between $0.03-0.08/kWh, new wind generation from projects commissioned in 2024 is now competitive with the cheapest fossil fuel generation, which also produces power at $0.08kWh. Pleasingly, LCOEs for wind have remained broadly flat versus 2024 data, as the impact of higher interest rates, plus the 2022/23 inflation cycle, was offset by greater economies of scale. Conversely, with inflation in gas turbine prices, we would expect estimates for the cheapest new fossil fuel generation to trend upwards in the coming years.

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

As such, we expect longer-term wind installations to grow at 6-7% per year through 2030, with the smaller offshore market to grow at a higher rate of around 20%.

Conclusion

The global wind industry continues to grow at a pace and is becoming increasingly diversified across geographies. We believe wind generation is well-positioned to capture a growing share of rising global electricity demand, supported by continued improvements in technology and economies of scale that enhance its relative economics. With long-term targets now updated in both China and Europe, the industry benefits from improved visibility, while in the US, we see structurally higher power demand providing support for growth despite ongoing political headwinds.

PERFORMANCE

Past performance does not predict future returns.

The **Guinness Sustainable Energy Fund** (Class Y, 0.74% OCF) delivered a return of 6.2% in the month, while the MSCI World Index (net return) delivered 2.2% (all in USD terms).

Guinness Sustainable Energy Fund	Ytd	1 Yr	3 Yrs	5 Yrs	10 Yrs*
Fund (Class Y)	6.2%	34.8%	7.5%	9.5%	175.3%
MSCI World NR Index	2.2%	19.6%	69.9%	83.2%	242.9%
Out/Underperformance	*4.0%*	*15.2%*	*-62.4%*	*-73.7%*	*-67.6%*

	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 4.5% in the month in GBP, while the MSCI World Index (net return) delivered 0.2%.

WS Guinness Sustainable Energy Fund	Ytd	1 Yr	3 Yr
Fund (Class Y)	4.5%	22.1%	0.4%
MSCI World NR Index	0.2%	8.3%	52.4%
Out/Underperformance	*4.3%*	*13.8%*	*-52.0%*

	2025	2024	2023
Fund (Class Y)	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 Fund UCITS ETF**, (Class A Acc, 0.65% OCF) under our management since 25 July 2024, delivered a return of 6.1% in the month in USD, while the MSCI World Index (net return) delivered 2.2% (all in USD terms).

Guinness Sustainable Energy Fund UCITS ETF	Ytd	1 Yr
Fund	6.1%	34.0%
MSCI World NR Index	2.2%	19.6%
Out/Underperformance	*3.9%*	*14.4%*

Data as of 31.12.2025. 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 Prysmian SpA, Enphase Energy Inc, Atlas Copco, Xinyi Solar Holdings Ltd and Ormat Technologies Inc while the weakest performers were Canadian Solar Inc, First Solar Inc, LG Chem Ltd, Spie SA and Aptiv PLC.

Stock by Stock performance over the month, in USD

Source: Bloomberg. As of 31st January 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 economically viable 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 30 September 2025

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:

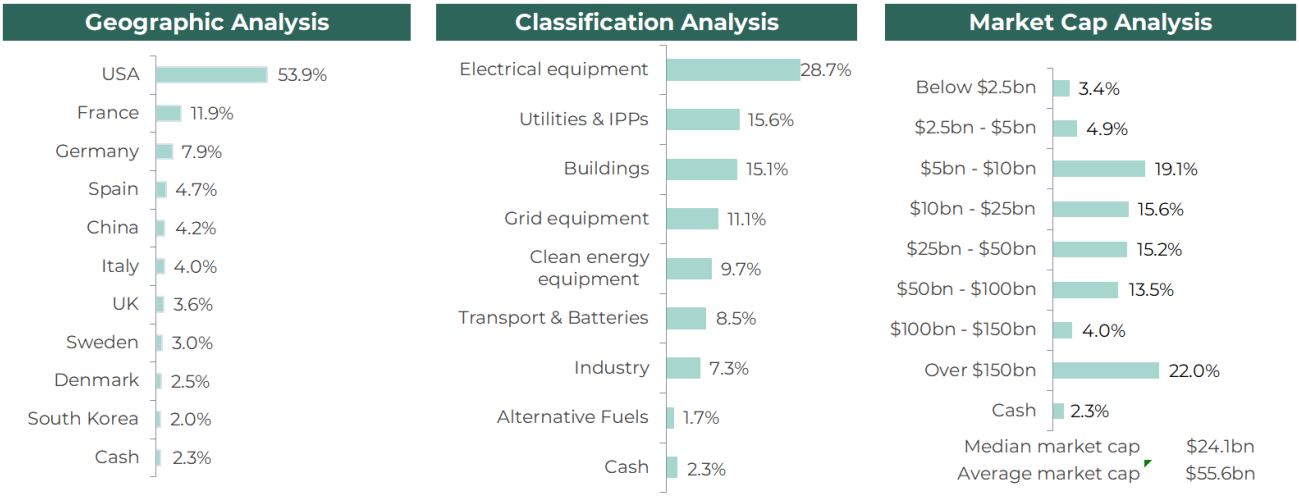
Signatory of:

PRI Principles for Responsible Investment

Buys/Sells

There were no buys/sells in the month, but the portfolio was actively rebalanced.

Portfolio structure analysis



Data as of 31.01.2026. Source: Guinness Global Investors. Portfolio holdings are subject to change.

Portfolio sector breakdown

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

Asset allocation as %NAV	Current	*Change*	Year end	Previous year ends					
	Jan-26		*Dec-25*	*Dec-24*	Dec-23	Dec-22	Dec-21	Dec-20	Dec-19
Electrical equipment	28.7%	*0.1%*	*28.7%*	26.8%	25.1%	20.3%	19.0%	10.0%	9.6%
Buildings	15.1%	*-0.3%*	*15.4%*	14.8%	9.6%	*7.7%*	*4.2%*	*3.7%*	*10.2%*
Utilities & IPPs	15.6%	*0.1%*	*15.5%*	20.5%	*19.5%*	*17.7%*	*23.1%*	*24.6%*	*22.2%*
Grid equipment	11.1%	*0.5%*	*10.6%*	9.0%	7.6%	7.3%	6.6%	6.1%	5.5%
Clean energy equipment	9.7%	*-1.1%*	*10.8%*	10.3%	15.8%	19.7%	18.7%	28.8%	23.5%
Transport & Batteries	8.5%	*-0.3%*	*8.9%*	11.3%	16.4%	18.5%	19.5%	20.4%	21.7%
Industry	7.3%	*0.3%*	*7.0%*	4.8%	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*
Alternative Fuels	1.7%	*0.0%*	*1.7%*	1.8%	*1.8%*	*3.0%*	*3.7%*	*3.6%*	*3.2%*
Cash	2.3%	*0.8%*	*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, January 2025

Valuation

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

As at 31 January 2026	PE			EV/EBITDA			Dividend Yield		EPS Growth (%pa)		Cash return	
	2024	2025E	2026E	2024	2025E	2026E	2025E	2026E	2019-24	2025-28	2025E	2026E
Guinness Sustainable Energy Fund	23.2x	22.3x	19.1x	14.0x	12.8x	11.3x	1.4%	2.0%	8.1%	14.8%	11.0%	11.1%
MSCI World Index	25.2x	23.1x	20.3x	16.3x	15.2x	13.3x	1.6%	1.7%	6.8%	12.1%	9.9%	10.5%
Fund Premium/(Discount)	*-8%*	*-3%*	*-6%*	*-14%*	*-16%*	*-15%*						

*2024 P/E = Latest month-end price / 2024 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 January 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 around 40% weight) is that of **electrical equipment**, 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 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 utilisation of the grid.

The electrification and efficiency of buildings, industrial activities, and transportation represent a total weight of 31% and are split as follows:

- In terms of **transportation** exposure, the portfolio holds six 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. Onsemi, 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 Aptiv and Sensata 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 have two names focused on insulation: Owens Corning, as a manufacturer of insulation (and associated products), while Installed Building Products is an installer of insulation. Our final holding here in SPIE, a French electrical engineering company that provides services for building maintenance, predominantly in France and Germany.

- 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.16% weight to utilities and independent power producers. China Longyuan is a pure-play Chinese wind power producer and represents one of our two 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), while Iberdrola is our one utility, with particular exposure to 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 January 2026

	Theme	Example holdings	Weighting (%)
1	Electrification of energy demand		24.7%
2	Modernising the power grid		11.1%
3	Rise of the electric vehicle and auto efficiency		11.3%
4	Power semiconductors		9.0%
5	Wind & solar equipment manufacturing		9.7%
6	Low carbon power generation: regulated producers		9.1%
7	Low carbon power generation: independent producers		8.2%
8	Building and industrial efficiency		14.7%
9	Other (inc cash)		2.3%

Portfolio at end December 2025 (one month in arrears for compliance reasons)

Guinness Sustainable Energy Fund (31 December 2025)			P/E			EV/EBITDA			Price/Book			Dividend Yield		
Stock	**ISIN**	**% of NAV**	**2024**	**2025E**	**2026E**	**2024**	**2025E**	**2026E**	**2024**	**2025E**	**2026E**	**2024**	**2025E**	**2026E**
ALTERNATIVE FUELS														
Ameresco Inc	US02361E1082	1.7%	41.2x	37.8x	24.8x	18.9x	14.9x	12.6x	1.5x	1.4x	1.3x	0.0%	n.m.	n.m.
		1.7%												
EFFICIENCY & ELECTRIFICATION														
Carlisle Cos Inc	US1423391002	2.3%	17.5x	16.7x	15.4x	11.4x	12.8x	12.2x	5.8x	7.5x	7.2x	1.2%	1.3%	1.4%
Installed Building Products In	US45780R1014	3.2%	28.1x	23.8x	23.6x	14.8x	15.7x	15.7x	10.2x	9.5x	7.9x	1.2%	1.2%	1.3%
Owens Corning	US6907421019	2.2%	6.4x	9.1x	10.4x	5.3x	6.5x	7.3x	1.9x	2.2x	2.1x	2.2%	2.5%	2.6%
Spie SA	FR0012757854	3.9%	22.8x	17.8x	15.9x	11.4x	10.1x	9.5x	4.5x	3.8x	3.4x	1.9%	2.3%	2.5%
Trane Technologies PLC	IE00BK9ZQ967	3.9%	34.3x	29.9x	26.2x	22.4x	21.3x	19.2x	11.7x	10.5x	9.2x	0.9%	1.0%	1.0%
Siemens AG	DE0007236101	4.3%	26.1x	25.2x	22.0x	14.0x	11.2x	10.0x	3.9x	2.9x	2.7x	2.0%	2.3%	2.5%
Atlas Copco AB	SE0017486889	2.8%	31.0x	29.4x	27.4x	43.9x	41.3x	38.5x	8.5x	6.9x	6.3x	1.6%	1.8%	2.0%
Aptiv PLC	JE00BTDN8H13	3.1%	9.1x	9.8x	9.0x	7.7x	7.4x	7.1x	2.0x	1.8x	1.6x	0.0%	0.0%	0.1%
Johnson Matthey PLC	GB00BZ4BQC70	3.4%	139.3x	26.4x	16.4x	14.7x	8.8x	9.2x	1.8x	1.4x	1.8x	3.4%	3.7%	18.7%
LG Chem Ltd	KR7051910008	2.3%	n.m.	n.m.	26.6x	10.6x	9.1x	6.7x	0.7x	0.8x	0.8x	0.3%	0.4%	0.8%
		31.3%												
GENERATION														
Iberdrola SA	ES0144580Y14	4.8%	22.7x	19.6x	18.9x	13.3x	12.3x	12.0x	2.7x	2.2x	2.1x	2.6%	3.7%	3.8%
China Longyuan Power Group Cor	CNE100000HD4	2.7%	7.9x	8.1x	7.5x	10.4x	10.4x	9.7x	0.7x	0.7x	0.6x	3.7%	3.6%	4.1%
NextEra Energy Inc	US65339F1012	4.3%	24.9x	21.8x	20.1x	20.9x	16.1x	14.4x	3.3x	2.9x	2.6x	2.6%	2.8%	3.1%
Ormat Technologies Inc	US6866881021	3.6%	50.3x	50.7x	43.1x	21.5x	16.8x	14.7x	2.7x	2.5x	2.4x	0.4%	0.4%	0.4%
		15.5%												
EQUIPMENT														
Amphenol Corp	US0320951017	4.5%	68.0x	40.9x	32.9x	40.7x	25.6x	20.8x	16.7x	12.6x	10.0x	0.4%	0.5%	0.7%
Eaton Corp PLC	IE00B8KQN827	3.9%	32.0x	26.3x	23.2x	22.9x	21.2x	18.7x	6.8x	6.4x	5.7x	1.2%	1.3%	1.3%
Hubbell Inc	US4435106079	4.2%	29.7x	24.4x	22.4x	18.9x	18.4x	16.7x	7.3x	6.3x	5.4x	1.1%	1.2%	1.3%
Itron Inc	US4657411066	2.7%	17.7x	13.5x	15.5x	12.7x	12.2x	11.6x	3.0x	2.4x	2.1x	0.0%	n.m.	n.m.
Legrand SA	FR0010307819	4.3%	29.8x	24.9x	22.0x	18.9x	16.3x	14.7x	5.0x	4.2x	3.8x	1.5%	1.9%	2.0%
Prysmian SpA	IT0004176001	3.7%	30.7x	21.6x	18.6x	18.6x	12.7x	11.5x	5.5x	3.9x	3.4x	0.9%	1.1%	1.2%
Schneider Electric SE	FR0000121972	4.2%	32.5x	27.3x	23.8x	19.7x	17.4x	15.8x	5.0x	4.5x	4.1x	1.5%	1.8%	2.0%
Infineon Technologies AG	DE0006231004	3.4%	23.2x	38.7x	23.7x	12.6x	12.1x	9.8x	3.2x	2.7x	2.4x	0.9%	1.0%	1.1%
ON Semiconductor Corp	US6821891057	2.4%	13.7x	23.3x	18.5x	8.9x	14.3x	13.1x	2.6x	2.8x	2.7x	0.0%	0.0%	0.0%
NXP Semiconductors NV	NL0009538784	3.1%	18.3x	18.4x	15.7x	12.9x	13.8x	12.3x	6.0x	5.5x	4.9x	1.9%	1.9%	2.0%
Sensata Technologies Holding P	GB00BFMBMT84	2.8%	8.3x	9.8x	9.1x	6.3x	8.7x	8.4x	1.7x	1.7x	1.5x	1.4%	1.5%	1.5%
Canadian Solar Inc	CA1366351098	2.3%	9.3x	n.m.	34.4x	13.6x	13.5x	10.0x	0.6x	0.5x	0.5x	0.0%	0.0%	0.0%
Enphase Energy Inc	US29355A1079	0.7%	32.3x	11.5x	15.3x	20.8x	9.1x	13.0x	5.1x	4.0x	3.1x	0.0%	0.0%	0.0%
First Solar Inc	US3364331070	4.0%	20.7x	17.9x	11.6x	14.7x	13.0x	8.9x	3.5x	2.9x	2.4x	0.0%	0.0%	0.0%
Xinyi Solar Holdings Ltd	KYG9829N1025	1.4%	20.3x	25.4x	14.7x	9.3x	11.3x	8.9x	0.9x	0.9x	0.9x	3.4%	1.8%	3.1%
Vestas Wind Systems A/S	DK0061539921	2.4%	56.1x	30.9x	21.6x	16.0x	11.4x	9.3x	7.5x	6.0x	5.0x	2.2%	0.7%	1.1%
		50.1%												
Cash	Cash	**1.5%**												

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 thirty 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 potentially 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.

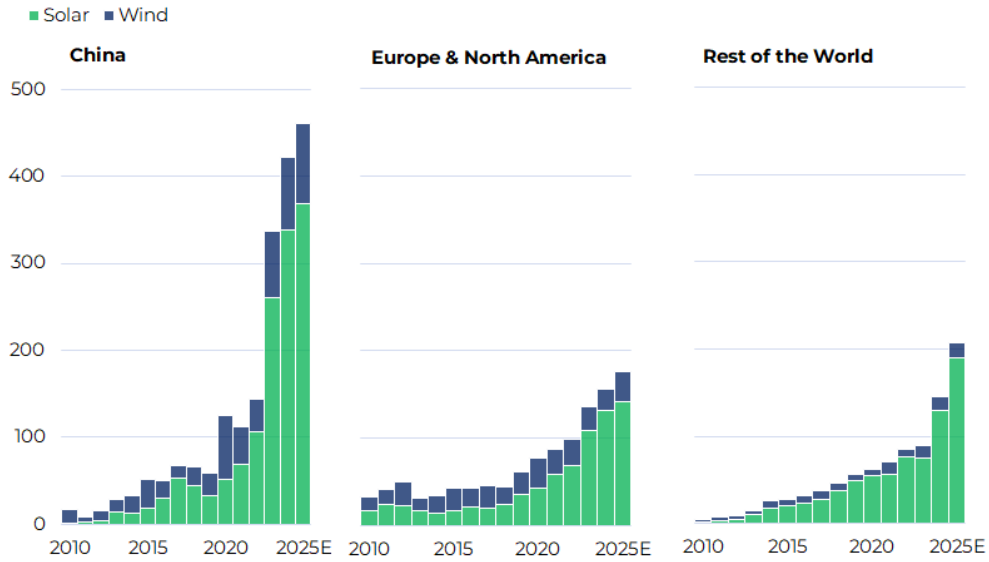
The spectre in the **United States** of President Trump's second term in office loomed large over the clean energy sector. Indeed, many of the executive orders from 20th January 2025, the first day of President Trump's new term, related to the energy sector. Some were specific to the fossil fuel industry, 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 revocation 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 remaining 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)



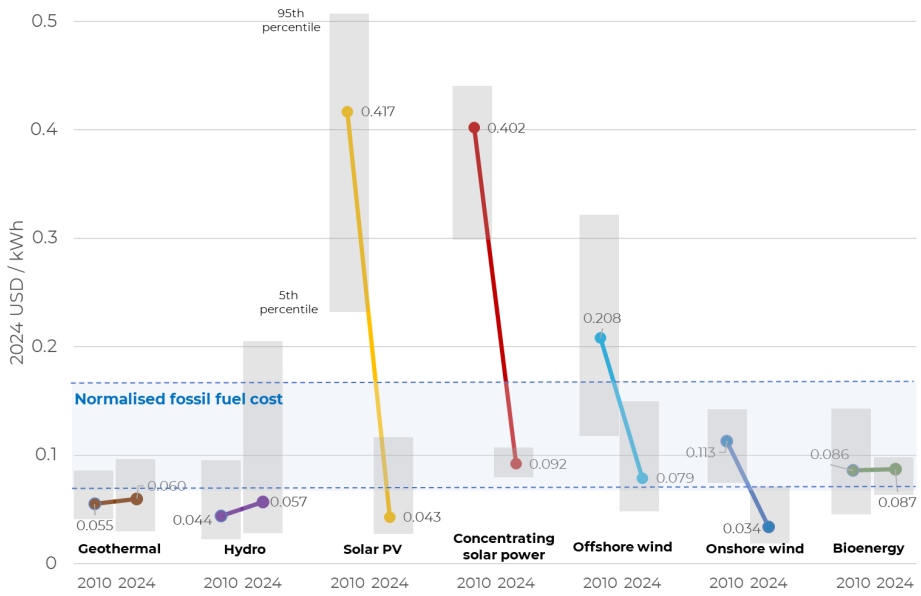
Source: BNEF; Guinness Global Investors

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 €100 billion 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 €1 trillion 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 unchanged versus 2024 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)

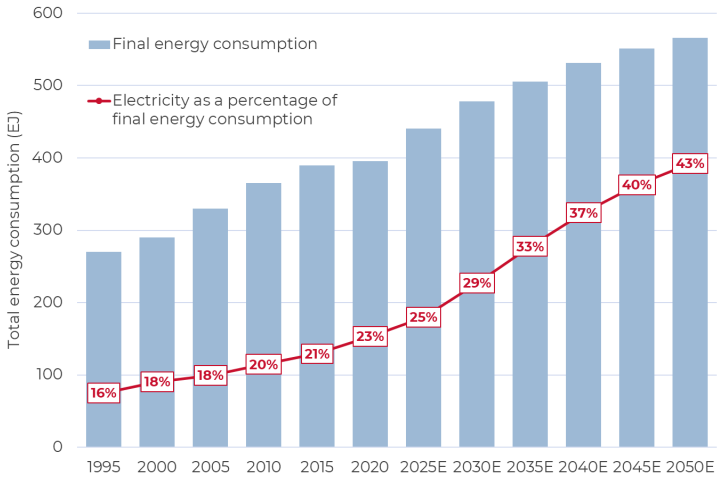


Source: IRENA; Guinness Global Investors, August 2025, percentile ranges from 2024 or 2023 if data if not available

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. 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 $800 billion (a 70% increase since 2015 and reflective of a step-change in spending committed to improving efficiency).

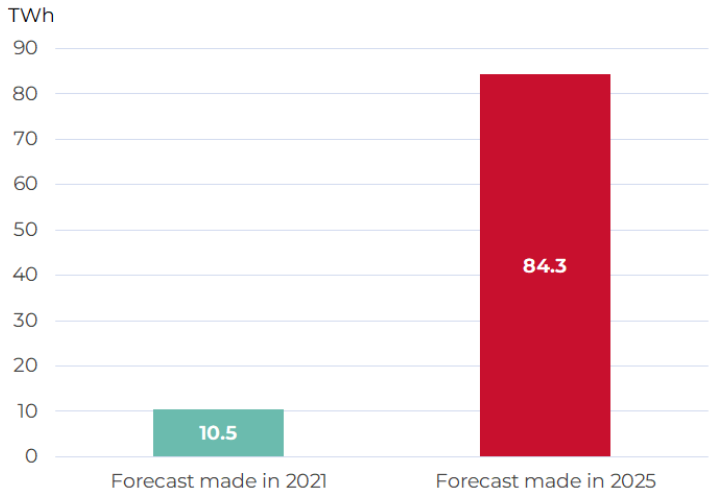
Data centres: heaping near-term pressure on power markets, especially in the US

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 ~12% by 2030, largely driven by AI servers, which are 3-5x more energy intensive than traditional servers.

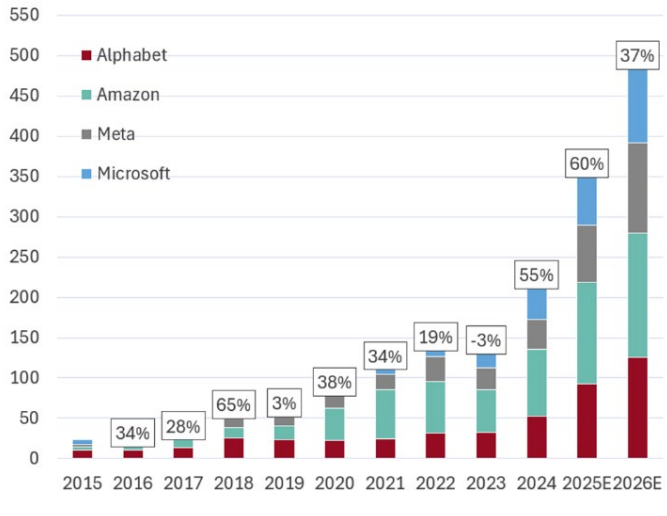
AI demand is also being compounded by the onshoring of manufacturing and the wider electrification of transport, buildings and industry. Investment in new US manufacturing facilities has surged 184% since 2020, driven by semiconductors, batteries, and advanced materials, with the CHIPS Act and IRA spurring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

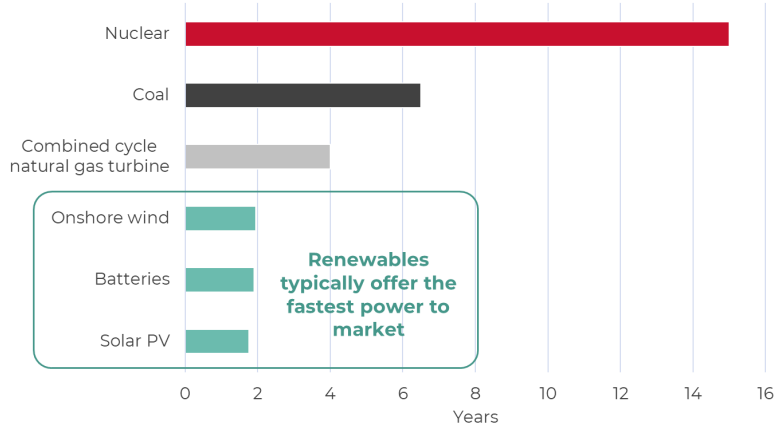


Source: NextEra, Bloomberg, January 2026

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 is 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 a 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)



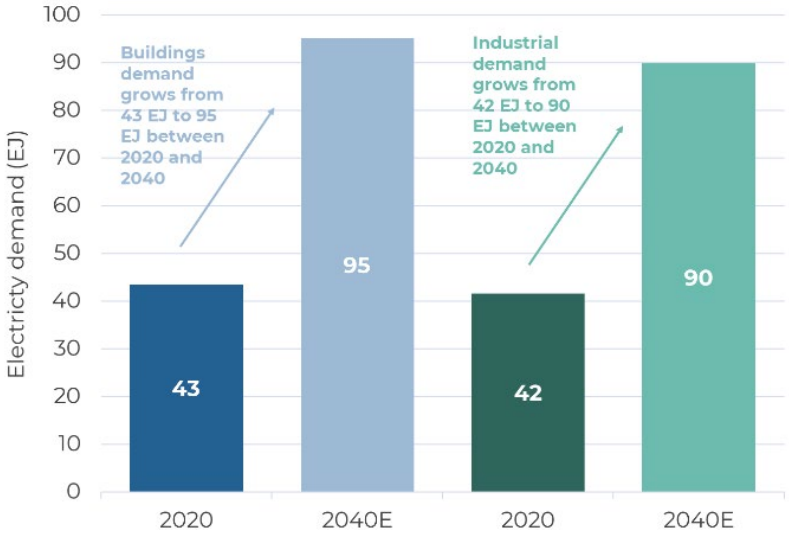
Source: NextEra, August 2025

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 ~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.

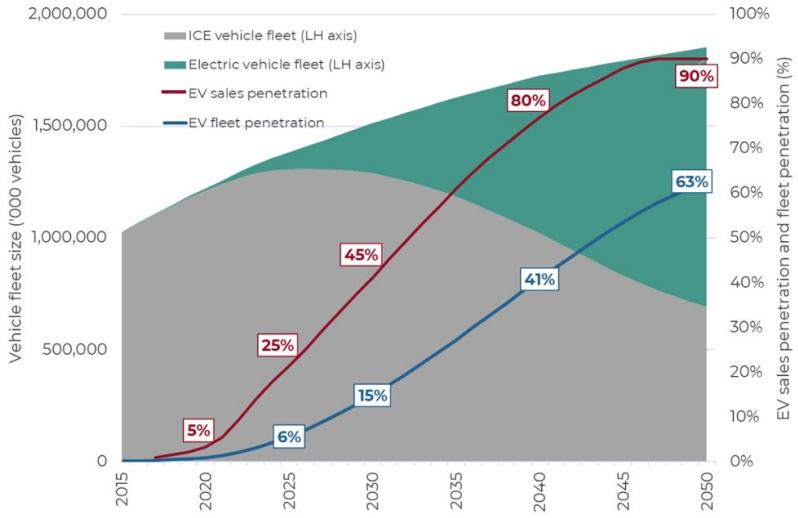
Within industry, the electrification of heat represents the most significant driver of future electricity demand, supported by the growing automation of production processes and broader uptake of electric motor systems. Tangible progress is already underway across several key technologies, including 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. We expect sales growth of 25% in 2025, with EVs making up 1 in every 4 cars sold and annual sales reaching c.22m. 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.

Global auto, ICE and EV population to 2050



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.

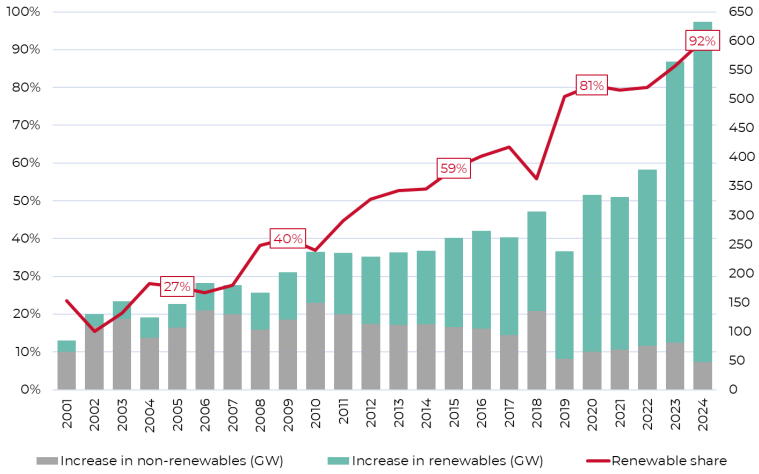
In China, falling battery costs mean that over two-thirds of electric vehicles are cheaper than their internal combustion counterparts. In fact, electric cars have been cheaper in China, on average, than comparable combustion cars since 2023, and, as battery prices fall in other regions, we would expect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

Renewable energy supply and power grids

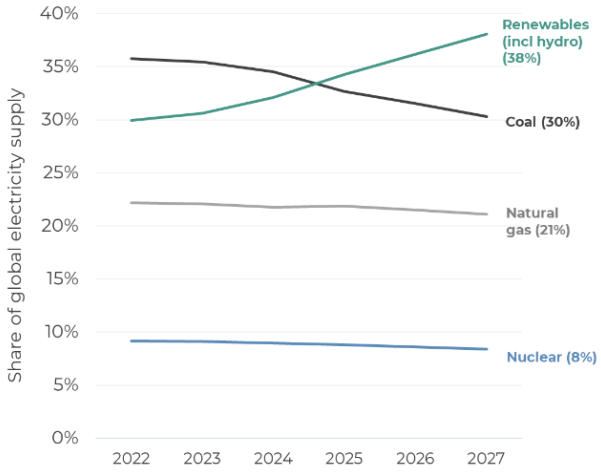
Having considered electrification, the key driver of demand, we now turn to the drivers of renewable supply and consider solar, wind and the need for upgrading of the global power grid.

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.

Renewable share of power capacity additions



Renewable share of electricity mix (2027 vs. 2022)



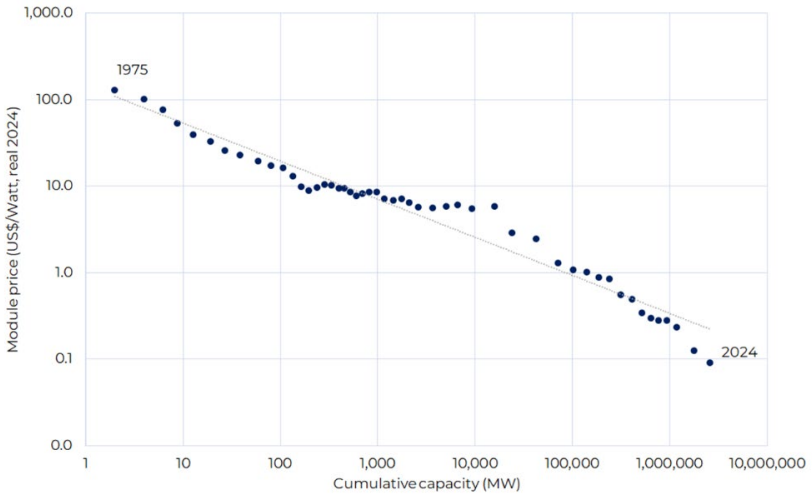
Source: IEA, IRENA, Guinness Global Investors estimates, January 2026

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 LCOEs 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 in the 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 buildout of capacity in mainland China, accounting for about 50% of the industry's 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 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

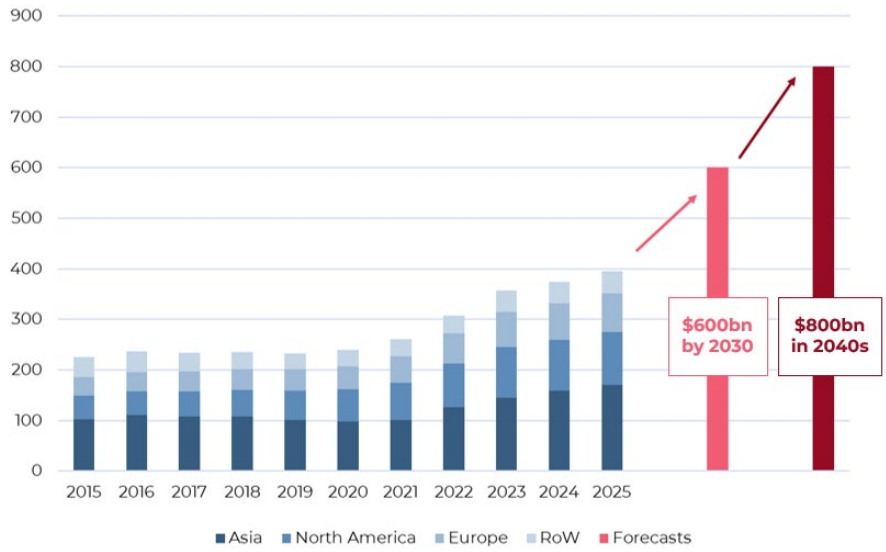
The global power grid requires substantial and sustained investment to integrate an ever-growing pipeline of renewables and support the rising demands of an electrified world. Put simply, the grid needs to be larger, smarter and more resilient to enable the energy transition to continue at pace. Long-term 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 $255 billion by 2029. In Europe, planned spending is set to grow from

around $26 billion in 2024 to around $70 billion 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 $600 billion per year by 2030 to put spending on track, growing further to average $800 billion per year through the 2040s.fe

Global power grid investment by region ($'bn)



Source: Rystad, IEA; September 2025

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General Enquiries: 0345 922 0044
E-Mail: wtas-investorservices@waystone.com.

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GUINNESS SUSTAINABLE ENERGY UCITS ETF

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