Guinness Global Energy

Investment Commentary – May 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 full information on the risks, before making any final investment decisions.

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

Past performance does not predict future returns.

ABOUT THE STRATEGY

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

INVESTMENT POLICY

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

CONTENTS

COMMENTARY

OIL

Spot prices highly volatile on Iran war

The WTI and Brent spot oil prices moved initially higher in early April as investors assessed the impact on oil supply of the ongoing closure of the Strait of Hormuz. Prices dropped sharply on April 17 when President Trump declared a ceasefire and that the Strait was 'open', but climbed again into the end of the month as tanker traffic remained at a minimum. Oil demand destruction is appearing and higher prices will be needed to force the market to balance if the disruption continues. Further details below, in our Managers' Comments.

NATURAL GAS

Global gas prices moderate despite LNG disruption

Asian and European liquefied natural gas (LNG) prices fell by around 15% during April but remain around 50-70% higher than at the start of the year. The market is weighing up the continued shutting-in of LNG in the Middle East (20% of global LNG supplies transit the Strait of Hormuz) versus a ramp-up of supply elsewhere.

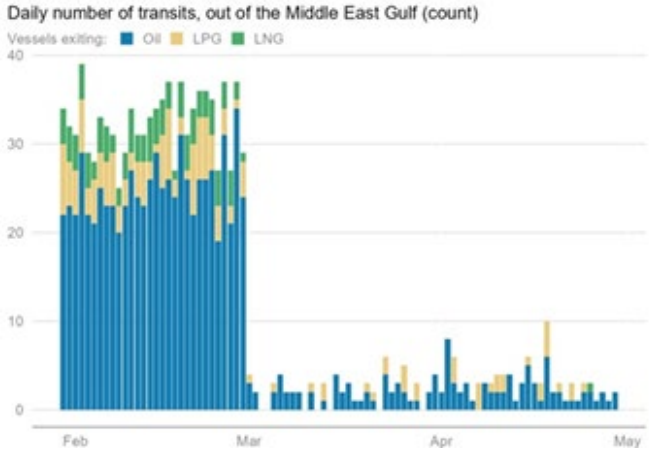
EQUITIES

Energy underperforms the broad market in April

To compare energy equities to the broader market, the MSCI World Energy Index (net return) fell by 2.1% (USD) in April, underperforming the MSCI World Index (net return), which rose by 9.6%. Year-to-date, the MSCI World Energy Index is up 34.0% versus the MSCI World Index up by 5.7%.

CHART OF THE MONTH

The number of oil, LPG and LNG tankers exiting the Strait of Hormuz averaged around two vessels in April. Pre-conflict, the Strait saw an average of around 35 vessels entering and exiting. For detailed commentary on the Middle East, please see our Managers' Comments.

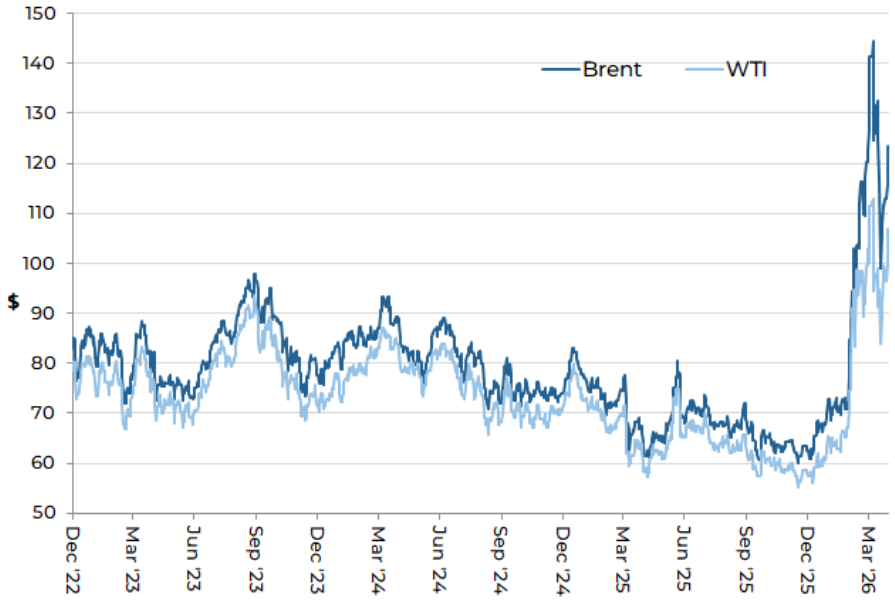


Source: Morgan Stanley, April 2026

APRIL IN REVIEW

i) Oil market

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



Source: Bloomberg; Guinness Global Investors, data as of 30.04.2026

The West Texas Intermediate (WTI) oil price began April at $101/bl and strengthened during the first week of the month, reaching $113/bl on 7th April. With a resolution announced to the Strait of Hormuz closure on 17th April, the WTI price fell to $84/bl, before strengthening again to close the month at $105/bl as it became clear that the Hormuz closure was persisting. WTI has averaged just over $79/bl so far this year, having averaged $57/bl in 2025, $76/bl in 2024 and $78/bl in 2023. Brent oil traded in a similar shape, but to more extreme levels, with the Brent spot price spiking to $144/bl on April 17, dropping mid-month to $97/bl, then rallying to close at $123/bl. Brent has averaged $91/bl so far in 2026, having averaged $69/bl in 2025, $81/bl in 2024 and $83/bl in 2023. The gap between the WTI and Brent benchmark oil prices narrowed over the month, ending April at around $12/bl. The Brent-WTI spread has averaged around $5/bl in recent years.

Factors which strengthened WTI and Brent oil prices in April:

- **War in the Middle East**

War in the Middle East brought sharply higher global oil prices as closure of the Strait of Hormuz caused oil exports from the Middle East to be shut off. Please refer to our Managers' Comments section for detailed analysis of the current situation.

Factors which weakened WTI and Brent oil prices in April:

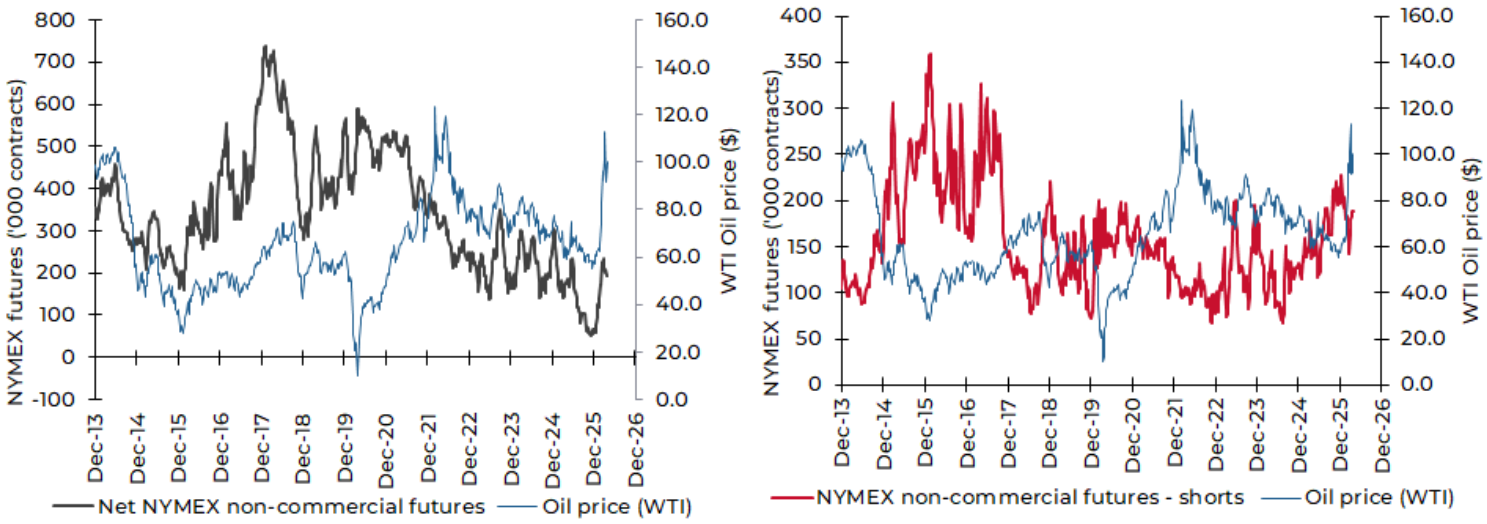
- **UAE's withdrawal from OPEC**

On 28th April, the United Arab Emirates announced that it will be leaving OPEC and OPEC+, effective from 1st May 2026. Although not imminently expected, the announcement follows a number of years of growing tensions from the UAE with respect to its production quota within OPEC. The timing of the decision appears to have been affected by the significant increase in Middle East tensions as a result of the Iran war, and the significant economic impact that the war is currently having on the UAE. Please see our Managers' Comments for more.

Speculative and investment flows

New York Mercantile Exchange (NYMEX) net non-commercial crude oil futures open position was 192,000 contracts long at the end of April versus 214,000 contracts long at the end of March. The net position peaked in February 2018 at 739,000 contracts long. Typically, there is a positive correlation between the movement in net position and movement in the oil price. The gross short position rose to 188,000 contracts at the end of April versus 165,000 at the end of the previous month.

NYMEX Non-commercial net and short futures contracts: WTI January 2004 – April 2026

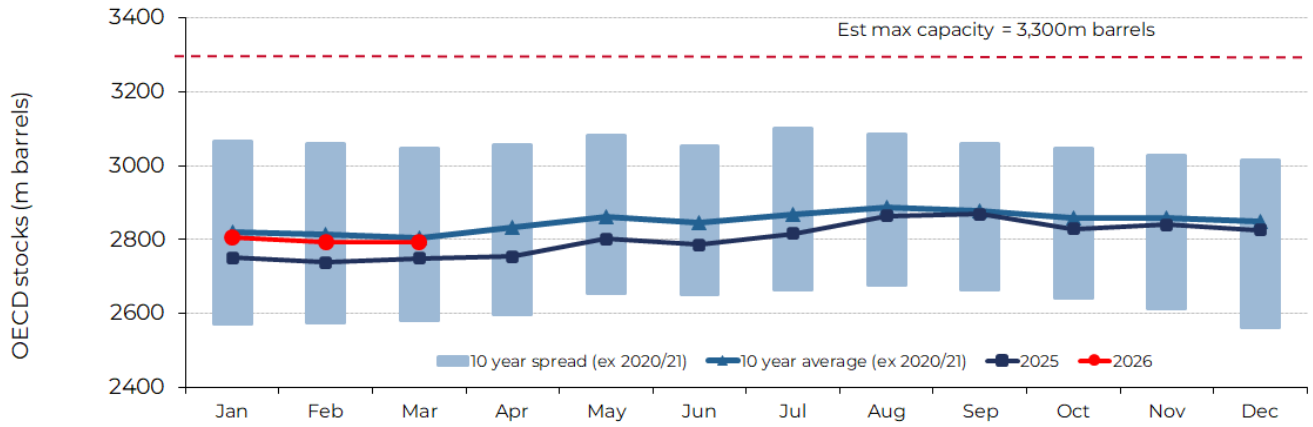


Source: Bloomberg LP/NYMEX/ICE (2026)

OECD stocks

OECD total product and crude inventories at the end of March (latest data point) were estimated by the International Energy Agency (IEA) to be 2,793m barrels, down by 2m barrels versus the level reported for the previous month. The move in March compares to a 10-year average (pre-COVID) draw of 8m barrels. Oil was still arriving in OECD commercial inventories in March as it had shipped before the start of the US-Iran conflict, but we expect to see significant draws start to show up in April. At the end of March, the overall level of OECD inventories sat close to the 10-year average.

OECD total product and crude inventories, monthly, 2010 to March 2026



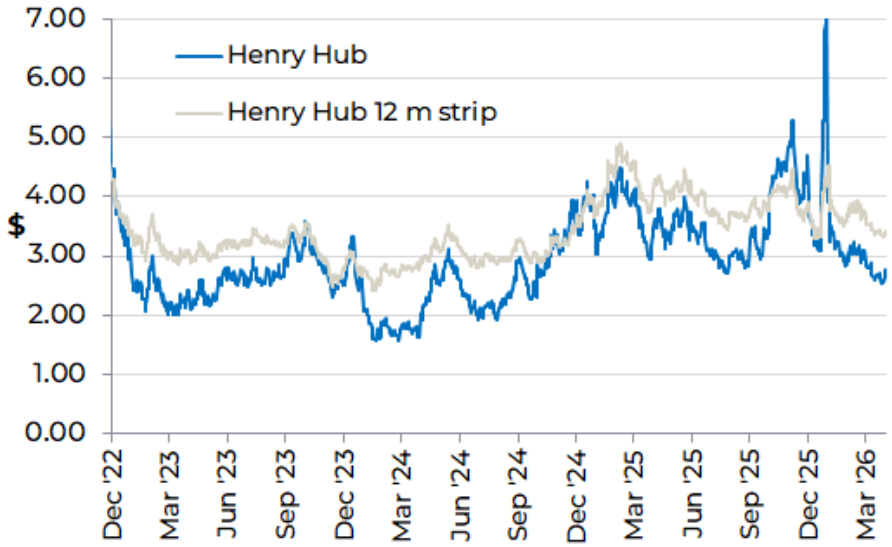
Source: IEA Oil Market Reports (April 2026 and older)

ii) Natural gas market

The US natural gas price (Henry Hub front month) opened April at $2.88/Mcf (1,000 cubic feet) and generally trended lower over the month, to a low of $2.52/Mcf on 26 April 2026 before rallying into the end of the month to close at $2.77/Mcf. The spot gas price has averaged $3.26/Mcf so far in 2026, having averaged $3.63/Mcf in 2025, $2.41/Mcf in 2024 and $2.67/Mcf in 2023.

The 12-month gas strip price (a simple average of settlement prices for the next 12 months' futures prices) traded in a similar but less extreme pattern, opening at $3.60/Mcf and closing at $3.41/Mcf. The strip price has averaged $3.66/Mcf so far in 2026, having averaged $4.00 in 2025, $2.98 in 2024 and $3.19 in 2023.

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



Source: Bloomberg LP, May 2026

Factors which strengthened global gas prices in April included:

- **War in the Middle East**

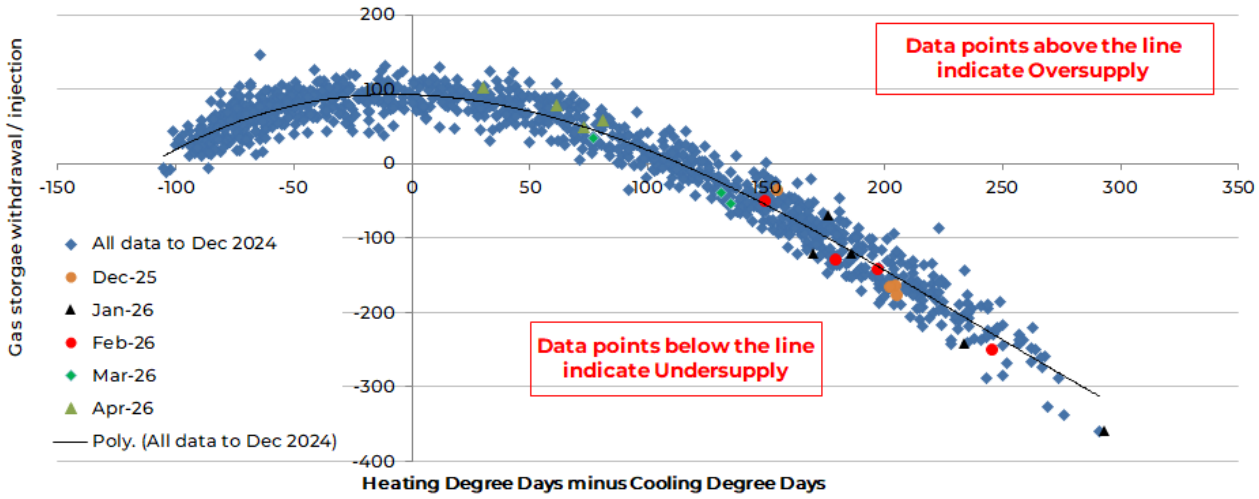
The Strait of Hormuz typically sees the passage of around 10-11 billion cubic feet (Bcf) per day of LNG, around 20% of the global LNG market. The largest producer, QatarEnergies, shut in production very shortly after the start of the war as available inventory capacity was limited. The loss of 10-11 Bcf/day of LNG is equivalent to around 75% of the Russian pipeline gas lost by Europe in 2022. Moreover, during the month, two processing lines at the Qatari LNG facility were damaged by Iranian attacks and the company has confirmed that they will be offline for three to five years. Once the Strait reopens, it is unlikely that supplies will restart for at least two weeks, since it takes that time frame to ramp facilities back up to full production.

Factors which weakened global gas prices in April included:

- **US market oversupplied (ex-weather effects)**

Adjusting for the impact of weather, the US gas market was, on average, around 1 bcf/day oversupplied during April.

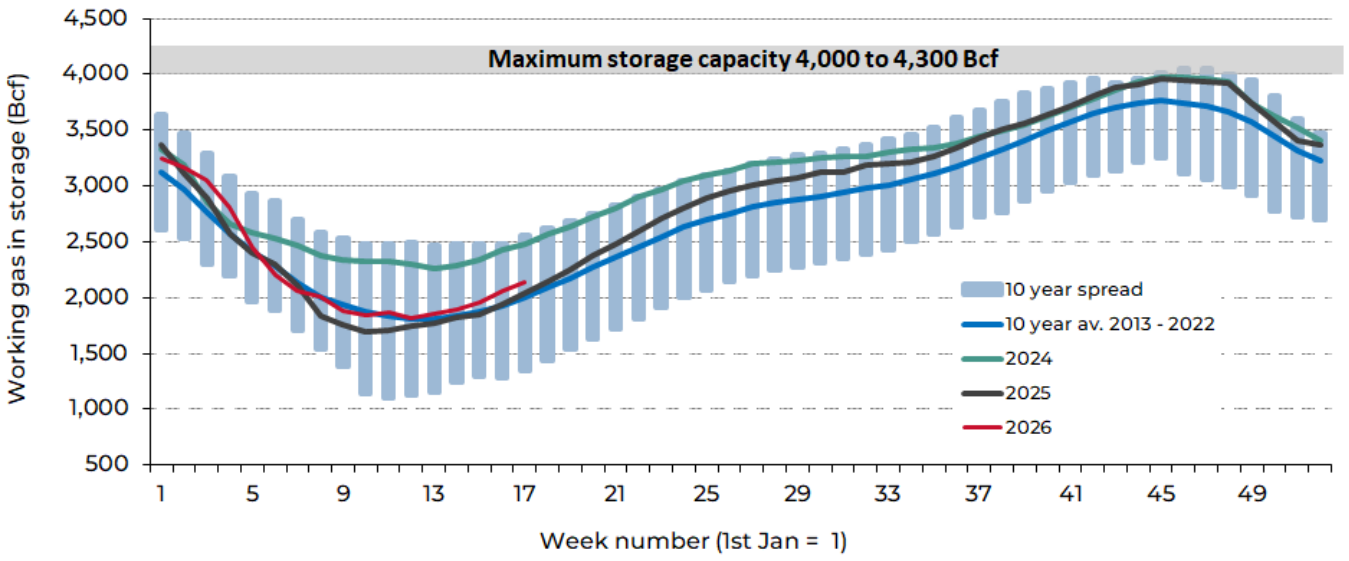
Weather-adjusted US natural gas inventory injections and withdrawals



Source: Bloomberg LP; Guinness Global Investors; May 2026

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

Deviation from 10-year US gas storage norm



Source: Bloomberg; Energy Information Administration (EIA), May 2026

MANAGERS' COMMENTS

The global oil market faces a major supply shock through the rest of 2026, even if the Strait of Hormuz reopens shortly. Weaker demand is partly offsetting the imbalance, but inventories – both commercial and strategic – are drawing rapidly and absorbing much of the shock. These stocks will need to be rebuilt and likely expanded, implying tighter fundamentals and higher prices into 2027–2028 than previously expected.

The continued blockage of the Strait of Hormuz has removed around 12m b/day of oil and products from global supply for the past 66 days – nearly 0.8bn barrels in total, rising by around 0.36bn barrels for each additional month of disruption. Reopening the Strait remains critical, as there are no viable alternative routes for these Middle Eastern volumes to reach global markets.

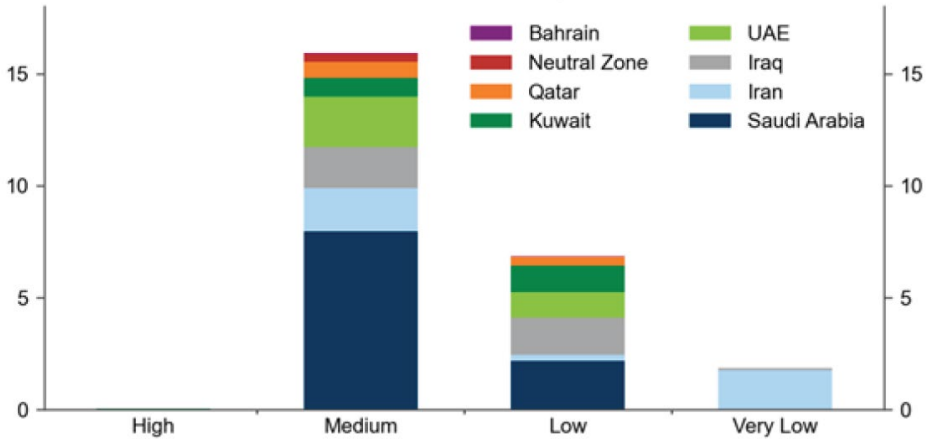
A longer blockage means a slower production recovery

Each month of disruption tightens the market while also complicating and delaying the restart process, leading to slower recovery and greater ultimate supply losses. Reservoirs left idle for weeks require increasing time and effort to restore previous output, with each additional day adding to the challenge. Surface infrastructure must be restarted carefully, and the wider supply chain – tankers, pipelines, and storage – will take time to normalise.

Every oil field is different, but according to the IEA in mid-April, "An estimated 50% of Gulf country upstream fields have sufficient reservoir pressure and fluid characteristics to return to pre-war levels within approximately two weeks, rising to 80% around one month later. This is contingent upon the security situation in each country, the ability of companies to mobilise skilled labour and contractors, and the normalisation of supply chains, all of which could significantly constrain the return to pre-war production rates. The remaining 20% of fields face more complex restart challenges, such as pressure depletion or flow impairment from wax or asphaltene deposition."

Put another way, analysis from Rystad Energy shows that around 16m b/day (64%) of Middle East crude and condensate production has medium-pressure support, 7m b/day (28%) has low-pressure support and 2m b/day (8%) has very low-pressure support. Those reservoirs with lower reservoir support will require more energy to restart them and will likely have a slower supply response with potential longer-term negative capacity implications. On their analysis, most countries have a mix of medium and low-pressure reservoirs.

Gulf crude and condensate production (m b/d) split by reservoir pressure support



Source: Rystad Energy, April 2026

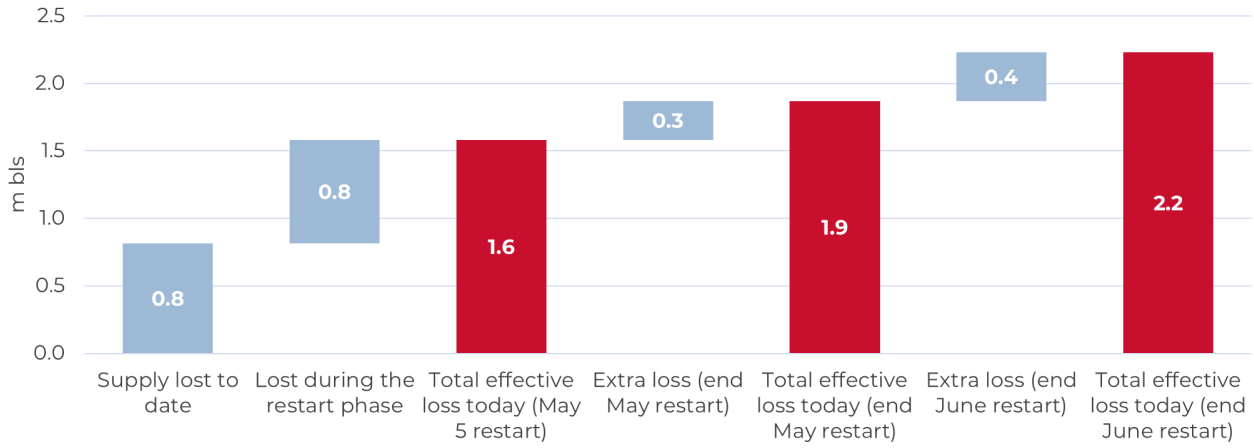
In engineering terms, the production restart of a lower-pressure field will require higher levels of water or gas for reinjection as well as more intense well workovers, requiring more skilled personnel, equipment and services. Based on the Rystad data, Kuwait has a broadly equal mix of medium and low-pressure, but Sheikh Nawaf, CEO of Kuwait Petroleum Corporation, was quoted in March as saying "Kuwait would take three to four months to return output to full production levels even if the war were to end today."

We think it is important to reiterate that there is no historic precedent for the speed of recovery from a situation like this; this is the first time that such a wide range of facilities in a broad region have been shut in for such a sustained period. But

taking a sensible mid-point from the analysis that we see, a reasonable assumption seems be around 70% of lost production being recovered three months after reopening and around 90% being recovered after six months. If correct, this implies an **additional c.0.8bn barrels of supply losses** during the recovery phase over the six months to the end of 2026.

So, even if the Strait were to re-open today (we are writing this on May 7), the total inventory loss will likely be around 1.6bn barrels (i.e. allowing for the barrels already lost and the phased return of production as detailed above). Should flow through the Strait not restart until the end of May or June, the total loss would increase to around 1.8bn or 2.2bn barrels respectively.

Oil and oil products lost to the market as a result of Strait of Hormuz disruption



Source: Guinness estimates, April 2026

The market balances through demand reductions and inventory reductions

Since the start of the conflict, the global oil market has adjusted to the 12m b/day supply disruption broadly in two forms:

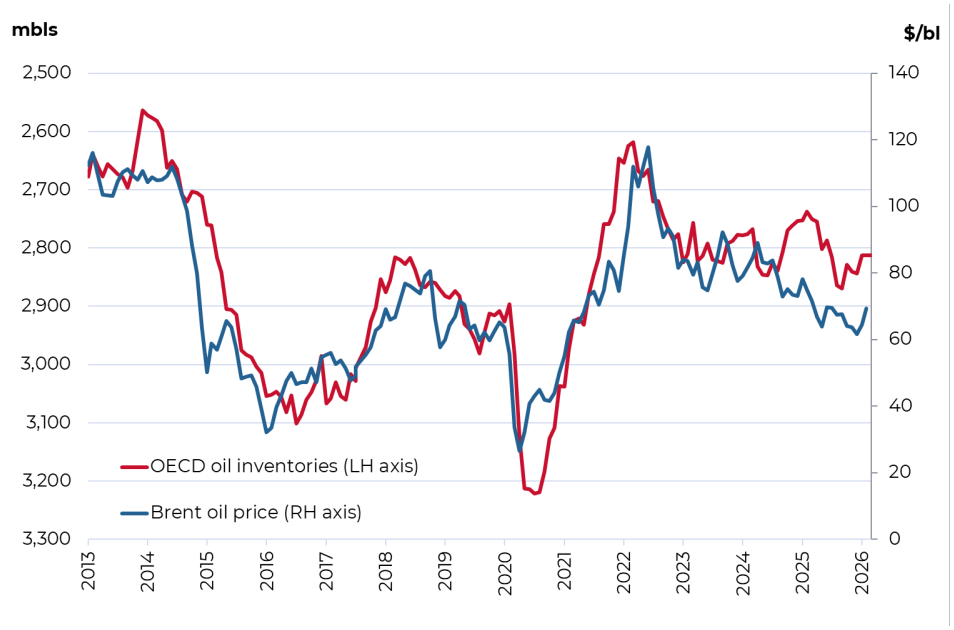
- First, **demand has fallen** due either to higher prices or the practical inability to consume oil and products. We distinguish between temporary demand loss (which recovers as prices normalise or supply returns) and structural demand destruction (where consumers permanently switch away from oil consumption). While the balance between the two will only become clear over time, current evidence suggests the impact has so far been more temporary than structural. We estimate global oil demand fell by around 4m b/day in April (c.4% of world demand), with further reductions likely if the disruption persists. If the blockage ended today, we estimate demand reduction could offset around 0.5bn barrels of the existing 1.6bn barrel supply shock.

- Secondly, **inventory draws** of around 8m b/day have helped offset the loss of supply. Here, we distinguish between **strategic** and **commercial** inventories. Recent data suggests strategic releases are running at around 2m b/day, implying commercial stocks are drawing at roughly 6m b/day. Given inventory data is incomplete and lagged, our estimates are based on disrupted supply volumes rather than reported stock changes. On this basis, inventories could decline by more than 1bn barrels by end-2026 in response to the supply shock.

Impact of inventories on oil prices

Regular readers of our updates will know that we often refer to OECD oil and oil product inventory levels. We do this because there is a good-quality historic data set (reported monthly by the IEA since 1984) and because there is a very strong inverse correlation between the level of OECD inventory and the price of Brent oil. OECD inventories were at 2.8bn barrels at the end of 2025.

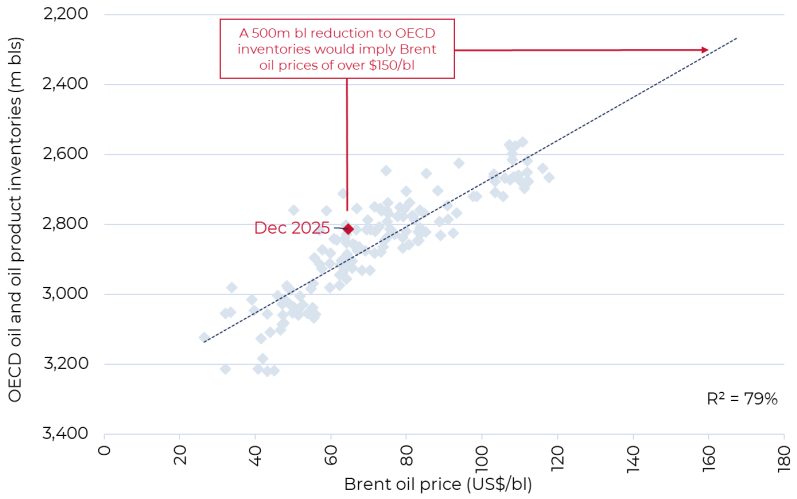
OECD oil and oil product inventories (inverted) together with Brent oil prices



Source: IEA, Bloomberg; data to 31.12.2025

OECD inventories do not capture the full oil market. Inventories in the non-OECD have grown (in line with non-OECD demand growth) and we estimate that combined global oil and oil product inventories (including commercial and strategic on land and on water but excluding inventories in transit) are now around 6.6bn barrels. If the 1bn barrels inventory reduction that we envisage were to be split pro-rata across the OECD and non-OECD, it would imply an **OECD oil and oil production inventory fall of around 0.5bn barrels.** Based on the historic monthly price/inventory relationship since 2013, that would imply Brent oil prices of around $150/bl.

OECD oil and oil product inventories correlated to Brent oil prices



Source: Bloomberg, IEA, Guinness estimates; data to 31.12.2025

A tighter market ahead as inventories need to be rebuilt

Looking further out, once the Strait is open and flows return to more normal levels, the longer-term job of rebuilding global oil and oil product inventory begins. We make the simple assumption here that long-term demand and supply is unaffected by the Hormuz closure and we focus our analysis purely on the rebuilding of the 1.0bn barrels of lost inventory (as of today). If this were rebuilt over 2027 and 2028, it would imply an additional 1.4m b/day of oil demand, an increase of around 1.3% to global oil demand forecasts in 2027 and 2028, all else being equal.

However, we think that this probably underestimates the scale of inventory rebuild. Given the severity of this supply shock, we believe that many governments will seek higher levels of inventories in the future, providing an additional buffer to cover potential future supply shocks. Should governments request levels of commercial and strategic inventories that are 10% higher (0.6bn barrels) or 20% higher (1.3bn barrels) it would imply a further 1m or 2m b/day of demand respectively over 2027 and 2028, a further 1-2% increase to demand, assuming no other negative demand side effects.

Combined, a rebuild and growth in inventory levels would bring an increase to global oil demand of around 3% in 2027/2028, implying substantially tighter markets and requiring a higher oil price than was envisioned prior to the conflict.

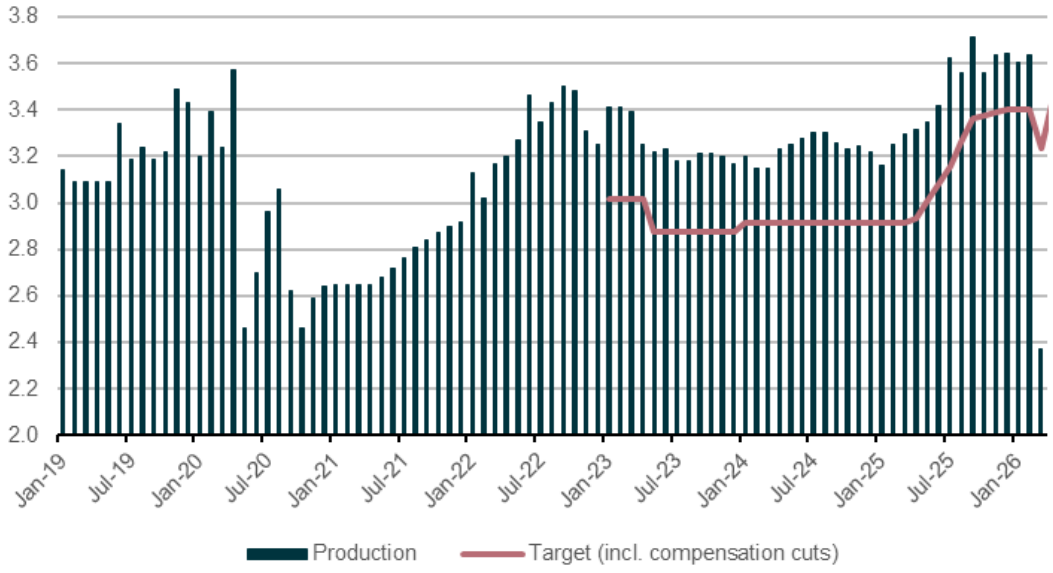
UAE announces its decision to leave OPEC and OPEC+

With this in mind, it does not come as too much of a surprise that the United Arab Emirates announced on 28th April that it will be leaving OPEC and OPEC+, effective from 1st May 2026. The UAE joined OPEC in 1967, seven years after its creation, and became the fourth largest producer in 2025 (behind Saudi Arabia, Iran and Iraq).

The announcement follows a number of years of growing tensions from the UAE with respect to its production quota within OPEC. These were most pronounced in 2021, when the country threatened to leave OPEC unless it received a quota increase (which was ultimately granted). The UAE's unhappiness had been clear for a long period, with the country regularly overproducing by 0.2-0.3m b/day versus its production quota.

The UAE stated that it would "continue to act responsibly, bringing additional production to market in a gradual and measured manner, aligned with demand and market conditions" and that "this decision does not alter the UAE's commitment to global market stability or its approach based on cooperation with producers and consumers".

UAE production (m b/day)

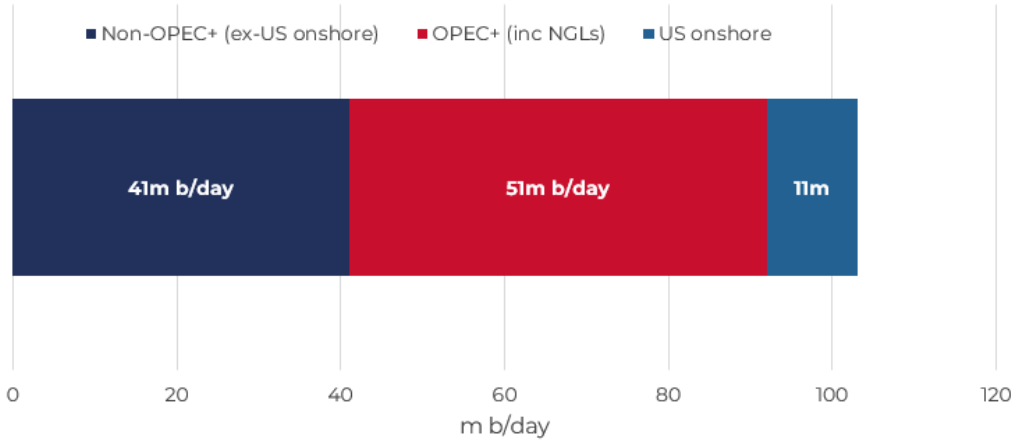


Source: DnB Carnegie, May 2026

Oil prices barely reacted to news of the UAE's departure, with developments around the Iran conflict remaining the dominant near-term driver. We therefore expect limited immediate impact, as the UAE cannot raise production while the Strait of Hormuz remains blocked. Once flows resume, the UAE is likely to maximise output to help restore supply and rebuild inventories. We expect other Middle Eastern OPEC producers to act similarly, and do not believe the UAE's response would differ materially had it remained within OPEC. Indeed, incremental UAE supply could play an important role in offsetting the post-restart production losses outlined above.

Over the longer term, the move could set a precedent for other members and raises questions about OPEC's future cohesion. While several countries have exited before (Indonesia, Qatar, Ecuador and Angola), the UAE is the most significant departure to date, leaving Saudi Arabia accounting for 38% of remaining OPEC crude production and 24% of OPEC+. Despite this, OPEC+ remains substantial; (around 48m b/day, or 45% of 2025 global oil and natural gas liquids supply), with Saudi Arabia and Russia still broadly aligned in both scale and commitment to the group.

Global oil supply in 2025, including UAE in OPEC+ (m b/day)



Source: IEA, as of May 2026

In one respect, Saudi Arabia may now benefit from simpler decision-making within OPEC, but will also shoulder a greater share of production management. The UAE's exit reduces OPEC spare capacity from c.3.1m b/day to c.2.5m b/day, concentrated in Saudi Arabia (1.7m b/day), Kuwait (0.4m b/day) and Iraq (0.3m b/day), leaving the group with less flexibility and reduced pricing power.

Time will tell whether this decision has positive or negative outcomes for the UAE. The outcome will be closely monitored by other OPEC members, who will assess whether there is more benefit to them being outside the group than within it. As such, the next few OPEC meetings are likely to be more significant than usual.

PERFORMANCE

The main index of oil and gas equities, the MSCI World Energy Index (net return), fell by 2.1% in April, while the broader equity market, as measured by the MSCI World Index (net return), rose by 9.6% in USD.

Within the Fund, the strongest performers were Baker Hughes, Petrochina, TC Energy, Schlumberger and Cenovus while the weakest performers were Exxon, Equinor, Chevron, Repsol and ConocoPhillips.

Past performance does not predict future returns.

Guinness Global Energy Fund
Performance (in USD) as at 30.04.2026

Cumulative returns (%)	YTD	1 year	3 years ann.	5 years ann.	Launch of strategy* ann. (31.12.98)
Guinness Global Energy Fund	38.4	67.6	18.5	20.9	9.4
MSCI World Energy NR Index	34.0	55.3	16.8	21.8	7.5

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

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

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

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

Past performance does not predict future returns.

WS Guinness Global Energy Fund
Performance (in GBP) as at 30.04.2026

Cumulative returns (%)	YTD	1 year	3 years ann.	5 years ann.
WS Guinness Global Energy Fund	34.9	60.8	15.6	21.3
MSCI World Energy NR Index	32.7	52.6	13.8	22.2

Calendar year returns (%)	2025	2024	2023	2022	2021	2020	2019
WS Guinness Global Energy Fund	10.7	-0.8	-2.3	49.9	45.7	-35.7	12.6
MSCI World Energy NR Index	5.5	4.5	-3.3	64.4	41.4	-33.6	7.2
	2018	**2017**	**2016**	**2015**	**2014**	**2013**	**2012**
WS Guinness Global Energy Fund	-6.28	-7.18	65.2	-29.6	-26.6%	-4.7	2.5
MSCI World Energy NR Index	-10.61	-4.12	51.0	-18.3	-6.1%	15.9	-2.6

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

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

PORTFOLIO

Buys/Sells

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

Sector Breakdown

The following table shows the asset allocation of the Guinness Global Energy Fund at **April 30 2026.**

Asset allocation as %NAV	Current	*Change*	Last year end	Previous year ends									
	Apr-26		Dec-25	Dec-24	Dec-23	Dec-22	Dec-21	Dec-20	Dec-19	Dec-18	Dec-17	Dec-16	Dec-15	Dec-14
Oil & Gas	**100.1%**	***3.1%***	***97.0%***	***97.8%***	**98.9%**	**97.4%**	**96.9%**	**94.8%**	**98.3%**	**96.7%**	**98.4%**	**96.7%**	**95.1%**	**93.7%**
Integrated	54.7%	*2.1%*	*52.7%*	*55.1%*	54.7%	54.7%	57.7%	56.3%	51.1%	46.4%	42.9%	46.4%	41.5%	37.3%
Exploration & Production	19.2%	*1.1%*	*18.1%*	*19.3%*	23.2%	23.1%	23.7%	22.2%	29.6%	35.8%	36.9%	35.8%	36.5%	36.2%
Drilling	0.0%	*0.0%*	*0.0%*	*0.0%*	0.0%	0.0%	0.0%	0.0%	0.1%	2.2%	1.9%	2.2%	1.5%	3.3%
Equipment & Services	10.1%	*1.2%*	*8.9%*	*9.8%*	10.0%	9.0%	4.0%	4.6%	9.6%	8.6%	9.5%	8.6%	11.4%	13.4%
Storage & Transportation	10.5%	*-0.9%*	*11.3%*	*8.0%*	5.0%	4.8%	4.3%	4.4%	4.0%	0.0%	3.5%	0.0%	0.0%	0.0%
Refining & Marketing	5.6%	*-0.4%*	*6.0%*	*5.6%*	6.0%	5.8%	7.2%	7.3%	3.8%	3.7%	3.7%	3.7%	4.2%	3.5%
Solar	0.0%	*0.0%*	*0.0%*	*0.0%*	0.2%	0.7%	1.0%	1.8%	0.7%	0.9%	1.4%	0.9%	4.7%	3.7%
Coal & Consumable Fuels	0.0%	*0.0%*	*0.0%*	*0.0%*	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Construction & Engineering	0.0%	*0.0%*	*0.0%*	*0.0%*	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Cash	-0.1%	*-3.1%*	*3.0%*	*2.2%*	0.9%	1.9%	2.1%	3.3%	1.1%	2.4%	0.2%	2.4%	0.2%	2.6%

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

The Fund at end of April 2026 was on a price to earnings (PE) ratio for 2025/2026 of 18.7x/11.7x versus the MSCI World Index at 23.7x/20.0x as set out in the following table:

As at 30 April 2026	PE			EV/EBITDA			Dividend Yield	
	2024	2025E	2026E	2024	2025E	2026E	2025E	2026E
Guinness Global Energy Fund	16.1x	18.7x	11.7x	7.3x	5.6x	6.0x	3.3%	3.5%
MSCI World Index	26.0x	23.7x	20.0x	16.7x	15.5x	13.1x	1.7%	1.8%
Fund Premium/(Discount)	*-38%*	*-21%*	*-42%*	*-56%*	*-64%*	*-54%*		

Source: Bloomberg; Guinness Global Investors

Portfolio holdings

Our integrated and similar stock exposure (c.55%) is comprised of a mix of mid-cap, mid/large-cap and large-cap stocks. Our five large-caps are Chevron, BP, ExxonMobil, Shell and TotalEnergies. Mid/large and mid-caps are ENI, Equinor, GALP, Repsol and OMV. At 30 April 2026, the median PE ratio of this group was 9.4x 2026 earnings. We also have three Canadian integrated holdings, Suncor, Cenovus and Imperial Oil. All three companies have significant exposure to oil sands in addition to downstream assets.

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

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

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

We have reasonable exposure to oil service stocks, which comprise around 11% of the portfolio. The stocks we own provide exposure to both North American and international oil and natural gas development.

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

Portfolio at March 31 2026 (for compliance reasons disclosed one month in arrears)

Guinness Global Energy Fund (31 March 2026)			P/E			EV/EBITDA			Price/Book		
Stock	**ISIN**	**% of NAV**	**2024**	**2025E**	**2026E**	**2024**	**2025E**	**2026E**	**2024**	**2025E**	**2026E**
Integrated Oil & Gas											
Exxon Mobil Corp	US30231G1022	5.3%	21.8x	24.3x	19.8x	11.5x	9.4x	9.4x	2.8x	2.7x	2.5x
Chevron Corp	US1667641005	4.7%	24.7x	33.3x	23.0x	12.2x	8.9x	8.6x	2.4x	2.3x	2.3x
Shell PLC	GB00BP6MXD84	4.5%	12.5x	15.7x	12.8x	5.0x	5.3x	5.3x	1.6x	1.5x	1.4x
Total SA	FR0000120271	4.8%	11.7x	12.3x	11.5x	5.8x	5.7x	5.8x	2.0x	1.7x	1.6x
BP PLC	GB0007980591	4.7%	17.4x	25.7x	12.8x	5.7x	4.5x	4.8x	2.1x	2.0x	1.9x
Equinor ASA	NO0010096985	4.1%	14.1x	17.7x	11.3x	2.8x	2.6x	3.0x	2.8x	2.4x	2.2x
ENI SpA	IT0003132476	3.6%	17.7x	18.4x	11.9x	5.7x	5.1x	5.2x	1.6x	1.5x	1.4x
Repsol SA	ES0173516115	3.8%	13.3x	15.2x	8.0x	6.8x	4.9x	5.1x	1.3x	1.0x	0.9x
Galp Energia SGPS SA	PTGAL0AM0009	3.0%	15.5x	13.7x	12.9x	5.5x	5.1x	5.2x	3.8x	2.9x	2.7x
OMV AG	AT0000743059	3.1%	8.9x	29.9x	9.7x	4.2x	4.6x	4.8x	1.4x	1.3x	1.3x
		41.6%									
Integrated / Oil & Gas E&P - Canada											
Suncor Energy Inc	CA8672241079	3.8%	18.4x	19.1x	17.9x	5.6x	7.1x	7.4x	2.7x	2.3x	2.3x
Canadian Natural Resources Ltd	CA1363851017	3.9%	23.5x	19.9x	18.2x	9.8x	8.4x	8.5x	3.7x	3.1x	3.0x
Cenovus Energy Inc	CA15135U1093	3.4%	21.5x	16.7x	18.5x	8.1x	7.3x	6.9x	2.4x	2.0x	1.9x
Imperial Oil Ltd	CA4530384086	3.6%	19.9x	28.1x	21.5x	11.0x	11.5x	12.3x	4.0x	3.7x	3.6x
		14.7%									
Integrated Oil & Gas - Emerging market											
PetroChina Co Ltd	CNE1000003W8	2.6%	9.9x	10.4x	9.7x	5.2x	4.9x	5.0x	1.2x	1.0x	1.0x
		2.6%									
Oil & Gas E&P											
ConocoPhillips	US20825C1045	4.3%	17.0x	21.4x	19.0x	7.7x	6.7x	6.6x	2.6x	2.4x	2.4x
EOG Resources Inc	US26875P1012	3.3%	12.4x	14.1x	11.9x	6.4x	5.9x	5.9x	2.7x	2.4x	2.2x
Diamondback Energy Co	US25278X1090	3.3%	12.5x	13.6x	14.8x	10.2x	7.2x	7.0x	1.5x	1.3x	1.2x
Devon Energy Corp	US25179M1036	3.3%	10.4x	12.8x	11.8x	5.2x	4.1x	3.3x	2.3x	1.4x	1.2x
		14.2%									
Midstream											
Kinder Morgan Inc	US49456B1017	2.5%	28.3x	25.5x	24.3x	16.0x	12.5x	12.0x	2.4x	2.3x	2.3x
Enbridge Inc	CA29250N1050	2.3%	21.3x	25.4x	24.9x	18.3x	13.6x	12.9x	2.9x	2.9x	2.9x
TC Energy Corp	CA87807B1076	2.3%	22.3x	28.2x	23.3x	18.4x	13.9x	13.4x	3.7x	3.5x	3.5x
Williams Cos	US9694571004	2.5%	38.8x	33.4x	31.6x	21.2x	14.5x	13.1x	7.2x	6.7x	6.3x
		9.7%									
Equipment & Services											
Schlumberger Ltd	AN8068571086	2.8%	13.9x	17.7x	18.2x	8.0x	10.0x	9.1x	3.4x	2.8x	2.7x
Baker Hughes a GE Co	US05722G1004	2.4%	26.7x	23.5x	23.9x	13.2x	13.1x	11.6x	3.6x	2.9x	2.7x
Halliburton Co	US4062161017	3.0%	13.4x	15.8x	17.5x	7.2x	9.7x	8.7x	3.2x	2.9x	2.7x
Helix Energy Solutions Group Inc	US42330P1075	0.7%	21.1x	32.5x	34.3x	4.2x	6.3x	5.1x	1.0x	0.9x	0.9x
		8.9%									
Oil & Gas Refining & Marketing											
China Petroleum & Chemical Corp	CNE1000002Q2	1.1%	9.9x	12.7x	10.2x	6.5x	6.0x	5.6x	0.6x	0.6x	0.5x
Valero Energy Corp	US91913Y1001	4.9%	28.8x	23.5x	13.4x	11.8x	7.9x	9.0x	3.2x	3.0x	2.9x
		6.0%									
Cash	**Cash**	**2.3%**									
Portfolio	Total	**100.0%**	**16.5x**	**19.1x**	**15.0x**	**7.3x**	**6.5x**	**6.6x**	**2.3x**	**2.0x**	**1.9x**

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

OUTLOOK

i) Oil market

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026E
											IEA	*IEA*
World Demand	***95.3***	***96.4***	***98.2***	***99.5***	***100.7***	***91.8***	***97.4***	***100.0***	***102.6***	***103.5***	***104.3***	***104.3***
Non-OPEC supply (inc NGLs)	*62.1*	*61.5*	*62.5*	*65.0*	*67.0*	*64.4*	*65.0*	*66.9*	*69.3*	*70.3*	*72.1*	*72.8*
OPEC NGLs	*5.2*	*5.3*	*5.4*	*5.5*	*5.3*	*5.2*	*5.3*	*5.5*	*5.5*	*5.5*	*5.6*	*5.1*
Non-OPEC supply plus OPEC NGLs	**67.3**	**66.8**	**67.9**	**70.5**	**72.3**	**69.6**	**70.3**	**72.4**	**74.8**	**75.8**	**77.7**	**77.9**
Call on OPEC (crude oil)	**28.0**	**29.6**	**30.3**	**29.0**	**28.4**	**22.2**	**27.1**	**27.6**	**27.8**	**27.7**	**26.6**	**26.4**
Congo supply adjustment	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.2	0.3	0.3
Gabon supply adjustment	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Eq Guinea supply adjustment	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Call on OPEC-9 (crude oil)	**27.4**	**29.0**	**29.7**	**28.4**	**27.8**	**21.6**	**26.5**	**27.0**	**27.2**	**27.2**	**26.1**	**25.9**

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

Global oil demand in 2019 was 13m b/day higher than the pre-Financial Crisis (2007) peak. The demand picture for 2020, down by around 9m b/day, was heavily clouded by the impact of the COVID-19 virus and efforts to mitigate its spread. Demand rebounded between 2020 and 2025 by over 12m b/day, leaving overall consumption in 2025 3.6m b/day higher than the 2019 peak.

OPEC

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

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

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

OPEC-9 oil production to March 2026

('000 b/day)	31-Dec-19	28-Feb-26	31-Mar-26	Current vs Dec 2019	Current vs last month
Saudi	9,730	10,430	**8,360**	-1,370	-2,070
Iran	2,080	3,410	**3,230**	1,150	-180
Iraq	4,610	4,390	**1,630**	-2,980	-2,760
UAE	3,040	3,600	**2,160**	-880	-1,440
Kuwait	2,710	2,550	**1,380**	-1,330	-1,170
Nigeria	1,820	1,450	**1,450**	-370	0
Venezuela	730	980	**1,080**	350	100
Libya	1,110	1,300	**1,270**	160	-30
Algeria	1,010	970	**980**	-30	10
OPEC-9	**26,840**	**29,080**	**21,540**	**-5,300**	**-7,540**

Source: Bloomberg; Guinness Global Investors, May 2026

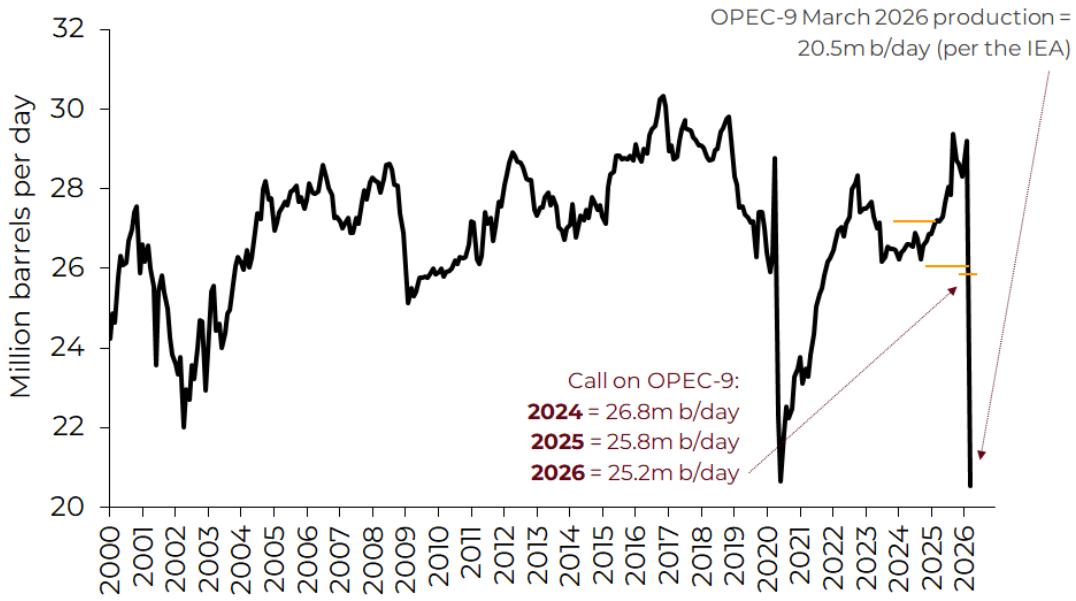
The 2017-19 period continued to be volatile for OPEC, with further production cuts necessary to balance ongoing non-OPEC supply growth.

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

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

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

OPEC-9 apparent production vs call on OPEC 2000 – 2026



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

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

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

1. Saudi is interested in the average price of oil that they get; they have a longer investment horizon than most other market participants.

2. Saudi wants to maintain a balance between global oil supply and demand to maintain a price that is acceptable to both producers and consumers.

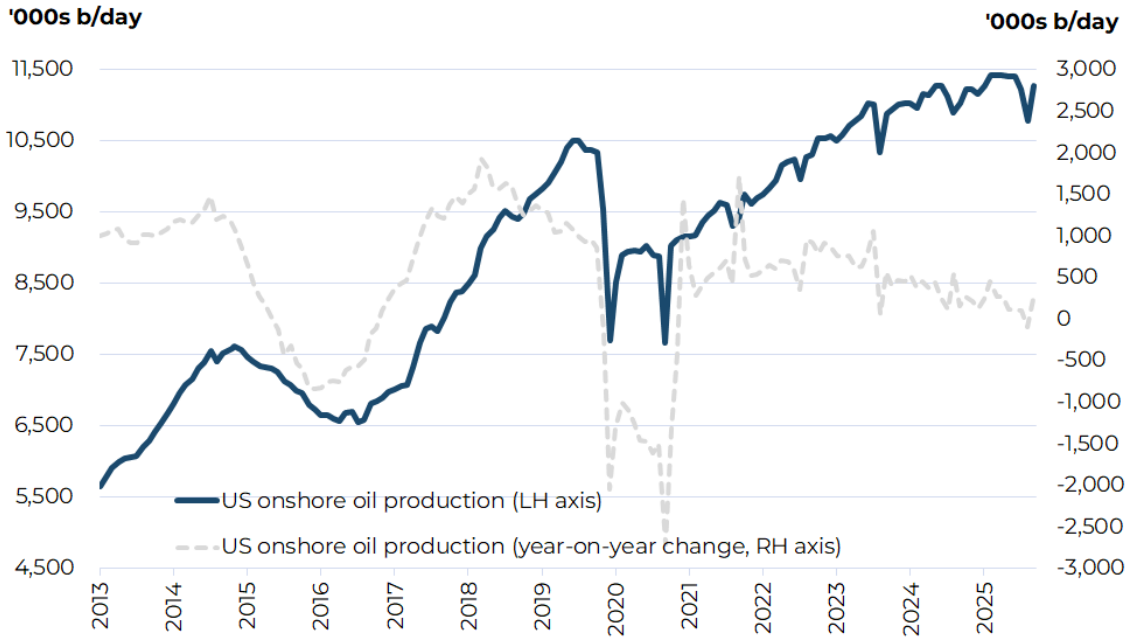
Nothing in the market in recent years has changed our view that OPEC can put a floor under the price – as they did in 2020, 2018, 2016, 2008, 2006, 2001 and 1998.

Supply looking forward

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

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

US onshore oil production



Source: EIA; Guinness Global Investors, May 2026

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

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

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

Future demand

The IEA estimate that 2026 oil demand be flat at 104.3m b/day, 3.7m b/day ahead of the 2019 pre-COVID peak. We must note though that demand estimates are currently in flux, as the shortage of oil from the Middle East (US/Iran war) plays out.

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

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

We keep a close eye on developments in the 'new energy' vehicle fleet (electric vehicles; hybrids etc). Sales of electric vehicles (pure electric and plug-in hybrid electrics) globally were around 22m in 2025, up from 17.5m in 2024. We expect to see strong EV sales growth again in 2026, up to around 25.5m, exceeding 20% of total global sales. Even applying an aggressive growth rate to EV sales, we see EVs comprising only around 15% of the global car fleet by the end of 2030. Looking further ahead, we expect the penetration of EVs to accelerate, causing global gasoline demand to peak at some point in the middle of the 2020s. However, owing to the weight of oil demand that comes from sources other than passenger vehicles (around 75%), which we expect to continue growing linked to GDP, we expect total oil demand not to peak until the early 2030s.

Conclusions about oil

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

Average WTI & Brent yearly prices, and changes

																					Est
Oil price ($/bl)	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**
WTI	75	72	100	62	80	95	94	98	93	49	43	51	65	57	39	68	94	78	76	76	85
Brent	75	73	99	63	80	111	112	109	99	54	45	55	72	64	43	71	99	83	81	81	90
Brent/WTI average	**75**	**73**	**99**	**62**	**80**	**103**	**103**	**103**	**96**	**51**	**44**	**53**	**68**	**61**	**41**	**70**	**97**	**80**	**78**	**78**	**88**
Brent/WTI y-on-y change (%)	15%	-3%	37%	-37%	28%	29%	0%	0%	-7%	-47%	-13%	19%	29%	-11%	-32%	68%	39%	-17%	-2%	0%	12%
Brent/WTI (5yr MAV)	51	59	72	75	78	83	89	90	97	91	80	70	63	55	53	58	67	70	73	81	84

Source: Guinness Global Investors estimates, Bloomberg, May 2026

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

ii) Natural gas market

US gas demand

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

US natural gas demand

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

Source: EIA; GS; Guinness estimates, April 2026

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

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

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

US gas supply

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

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

US natural gas supply

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

Source: EIA; GS; Guinness estimates, April 2026

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

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

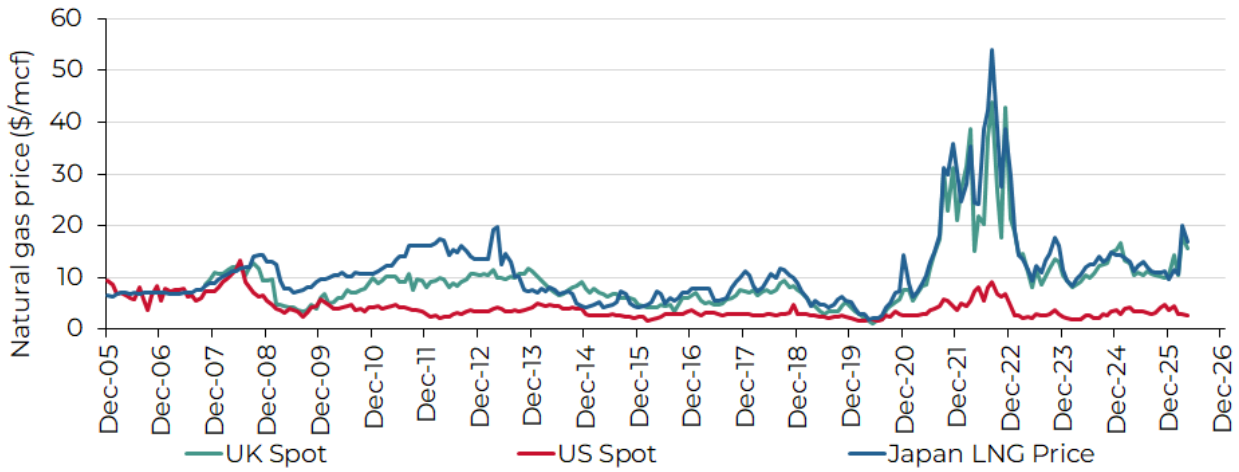
Associated gas production is expected to rise again in 2026 albeit at a slower pace (around 1 Bcf/day) than in 2022 (+5.5 Bcf/day) and 2023 (+3.6 Bcf/day). Lower supply growth is expected from onshore properties as weaker natural gas prices have brought a lower rig count and lower investment.

Outlook for US LNG exports – global gas arbitrage

In the short-term we have seen a spike in LNG prices, a response to Qatari natural gas being shut in behind the Strait of Hormuz. We expect the LNG market is going to be quite finely balanced over the next couple of years. In the event of moderate Chinese LNG demand and "normal" European winters, LNG supply and demand appear to be roughly in balance and global LNG prices appear to be fairly priced at around $10/Mcf. However, stronger Asian demand (including South Korea and Japan as well as China) or a colder than expected European winter could easily see LNG in tight supply and cause international gas prices spike, although it is unlikely that they revert to the $40-$50 levels seen in winter 2022/2023.

Looking further ahead, we see international gas prices settling in a $9-11/Mcf range. This price range should be sufficient to incentivise new US LNG supply to come online from 2025. It would also allow Europe to displace permanently almost all its Russian gas imports. An international gas price in the $9-11/Mcf is well down on the highs seen in 2022, but would leave the market at a higher price point than that seen in the few years prior to COVID and the Russian invasion of Ukraine.

Global gas prices

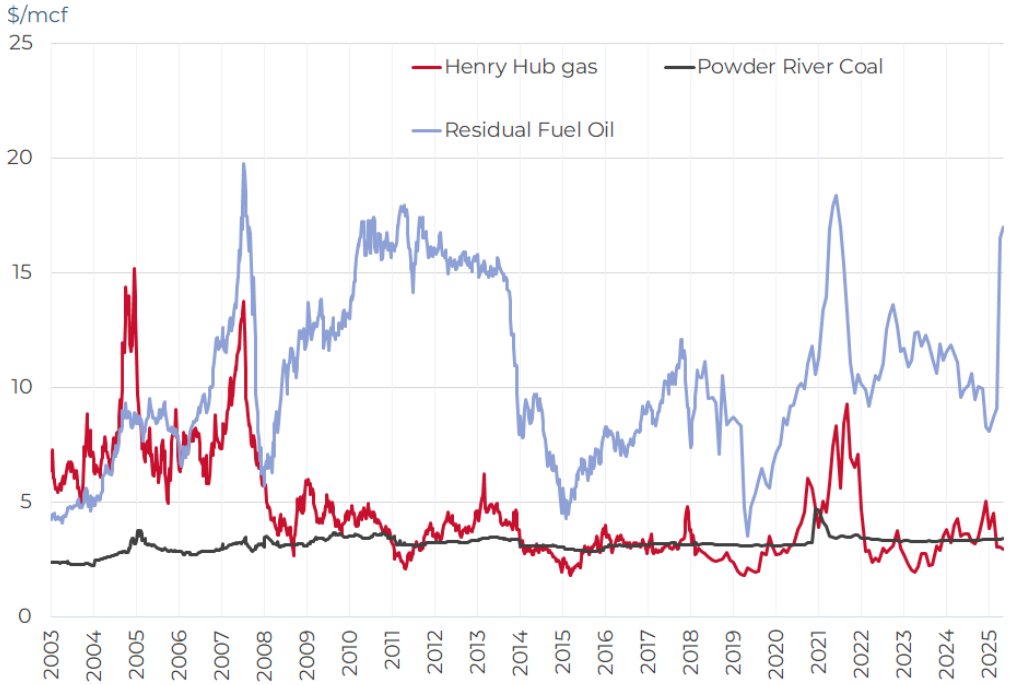


Source: Bloomberg; Guinness Global Investors, May 2026

Relationship with oil and coal

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

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



Source: Bloomberg; Guinness Global Investors, May 2026

Conclusions about US natural gas

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

APPENDIX: Oil and gas markets historical context

Oil price (WTI $) since 1989

Source: Bloomberg, May 2026

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

1) **1990-1998:** broadly characterized by decline. The oil price steadily weakened 1991 – 1993, rallied between 1994 – 1996, and then sold off sharply, to test 20-year lows in late 1998. This latter decline was partly induced by a sharp contraction in demand growth from Asia, associated with the Asian crisis, partly by a rapid recovery in Iraq exports after the UN Oil for food deal, and partly by a perceived lack of discipline at OPEC in coping with these developments.

2) **1998-2014:** a much stronger price and upward trend. There was a very strong rally between 1999 and 2000 as OPEC implemented 4m b/day of production cuts. It was followed by a period of weakness caused by the rollback of these cuts, coinciding with the world economic slowdown, which reduced demand growth and a recovery in Russian exports from depressed levels in the mid 90's that increased supply. OPEC responded rapidly to this during 2001 and reintroduced production cuts that stabilized the market relatively quickly by the end of 2001.

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

   By mid-2004 the market had become unsettled by the deteriorating security situation in Iraq and Saudi Arabia and increasingly impressed by the regular upgrades in IEA forecasts of near record world oil demand growth in 2004 caused by a triple demand shock from strong demand simultaneously from China; the developed world (esp. USA) and Asia ex China. Higher production by OPEC has been one response and there was for a period some worry that this, if not curbed, together with demand and supply responses to higher prices, would cause an oil price sell off. Offsetting this has been

an opposite worry that non-OPEC production could be within a decade of peaking; a growing view that OPEC would defend $50 oil vigorously; upwards pressure on inventory levels from a move from JIT (just in time) to JIC (just in case); and pressure on futures markets from commodity fund investors.

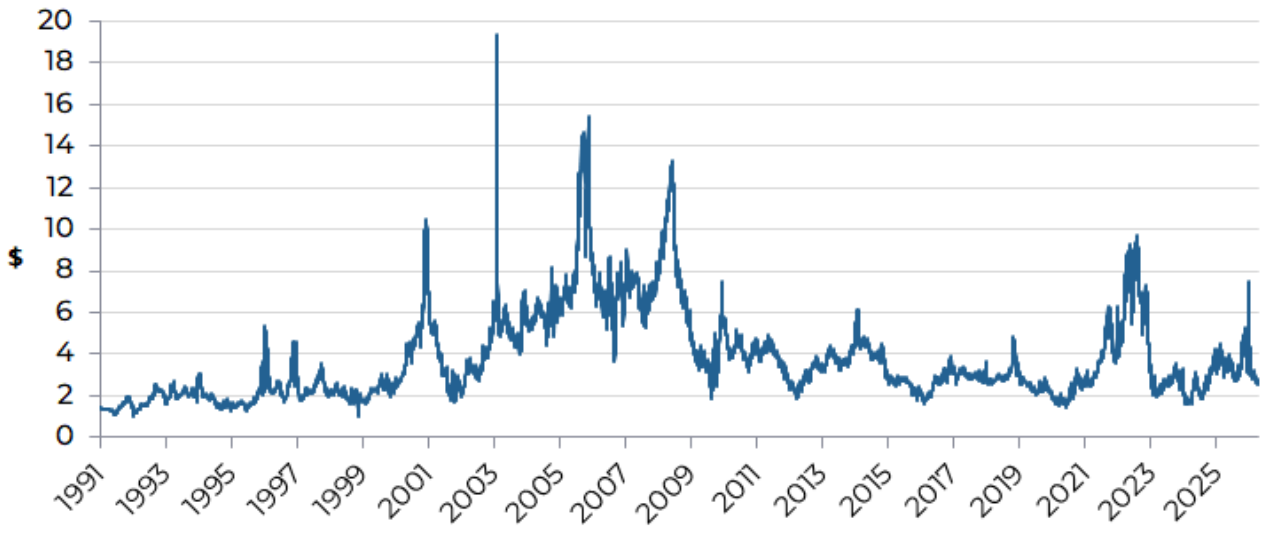
Continued expectations of a supply crunch by the end of the decade, coupled with increased speculative activity in oil markets, contributed to the oil price surging past $90 in the final months of 2007 and as high as $147 by the middle of 2008. This spike was brought to an abrupt end by the collapse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

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

3) **2014-2020:** a further downcycle in oil. Ten years of high prices leading up to 2014 catalysed a wall of new non-OPEC supply, sufficient that OPEC saw no choice but to stop supporting price and re-set the investment cycle. Oil prices found a bottom in 2016 (as a result of OPEC and non-OPEC partners cutting production again), but its recovery was capped by the volume of new supply still coming into the market from projects sanctioned pre the 2014 price crash. Average prices were pinned 2017-19 in the $50-70/bl range, with prices at the top end of this range stimulating oversupply from US shale. The alliance between OPEC and non-OPEC partners fell apart briefly in March 2020 and, coupled with an unprecedented collapse in demand owing to the COVID-19 crisis, oil prices dropped back below $30/bl, before recovering to around $50/bl by the end of 2020 thanks to renewed OPEC+ action.

4) **2021 onwards:** The period since 2021 has been characterised by a reasonable well supplied oil market, overlaid with two significant energy shocks that have reinforced volatility and the importance of geopolitical risk. The first major shock came in 2022 with Russia's invasion of Ukraine. This event triggered a sharp repricing of oil, with prices moving above $100/bl as sanctions and trade dislocations disrupted established flows. The market was forced to rapidly reconfigure, with Russian crude redirected to new buyers and global inventories drawn down. The second shock emerged more recently with escalating conflict in the Middle East. Given the region's central role in global supply and spare capacity, the situation has heightened concerns around potential disruptions to key export routes and production hubs.

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



Source: Bloomberg, May 2026

With regard to the US natural gas market, the price traded between $1.50 and $3/Mcf for the period 1991 - 1999. The 2000s were a more volatile period for the gas price, with several spikes over $8/Mcf, but each lasting less than 12 months. On each occasion, the price spike induced a spurt of drilling which brought the price back down. Excepting these spikes, from 2004

to 2008, the price generally traded in the $5-8 range. Since 2008, the price has averaged below $4 as progress achieved in 2007-8 in developing shale plays boosted supply while the 2008-09 recession cut demand. Demand has been extremely strong over the last decade but this has been outpaced by continued growth in onshore production, driven by the prolific Marcellus/Utica field and associated gas as a by-product of shale oil production.

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

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