Guinness Global Energy

Investment Commentary – November 2025

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 down in October

The WTI and Brent spot oil prices fell in October, driven by a growth in OECD oil and product inventories, plus additional supply coming into the market from the OPEC+ group. In early November, OPEC+ announced a further quota increase of 0.1m b/day for December, but paused any 2026 quota hikes. Against this, new US sanctions on Russian oil companies Lukoil and Rosneft threaten Russian exports to China, India and Turkey. Brent and WTI closed the month at around $65/bl and $61/bl respectively.

NATURAL GAS

International gas prices slightly lower

Asian gas prices fell in October by around $0.1 to $11/Mcf while European gas prices were down a similar amount to just over $10/Mcf. Natural gas in storage in Europe sits around 8% below the seasonal average, with significant liquefied natural gas (LNG) cargoes still required to normalise storage. In the US, gas prices sit just above $4/Mcf.

EQUITIES

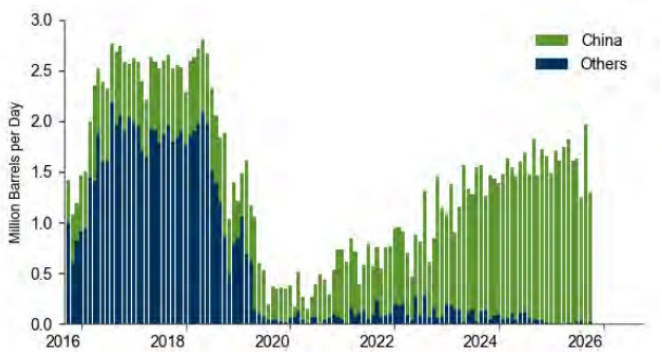
Energy underperforms the broad market in October

The MSCI World Energy Index (net return) fell by 0.4% (USD) in October, underperforming the MSCI World Index (net return), which rose by 2.0%.

CHART OF THE MONTH

Exports of oil from Iran pre-2019 were sent to a broad range of end consumers. Since President Trump first imposed sanctions in relation to Iran's nuclear programme, however, we have seen a shift to China being almost the only customer. Iran will be well aware of this when they consider disruption to oil supplies in the Middle East.

Iranian oil exports by destination

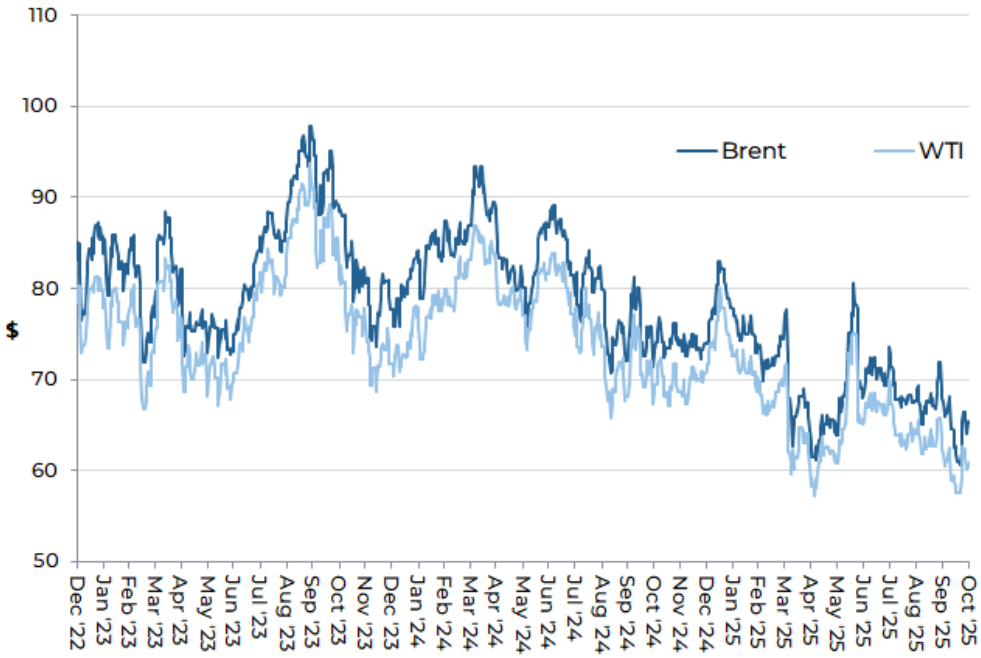


Source: DNB, Bloomberg, Oct 2025

OCTOBER IN REVIEW

i) Oil market

Oil price (WTI and Brent $/barrel): December 2022 to October 2025



Source: Bloomberg; Guinness Global Investors

The West Texas Intermediate (WTI) oil price began October at $62/bl and traded down to a low on October 20 of $57.5/bl, before recovering to close at $61/bl. WTI has averaged just over $66/bl so far this year, having averaged $76/bl in 2024 and $78/bl in 2023. Brent oil traded in a slightly weaker fashion, opening at $68/bl and trading down to $61/bl, before settling back at $65/bl. Brent has averaged around $70/bl so far in 2025, having averaged $80/bl in 2024 and $83/bl in 2023. The gap between the WTI and Brent benchmark oil prices widened slightly over the month, ending October at $4/bl. The Brent-WTI spread averaged $5/bl in 2024 after averaging a similar amount in 2023.

Factors which strengthened WTI and Brent oil prices in October:

- **US sanctions against Russian oil companies**

On October 22, the US announced new sanctions against the Russian oil companies Rosneft and Lukoil. So far this year, Rosneft and Lukoil have together been responsible for selling over 0.4m b/day of waterborne Russian crude to China, almost 1.1m b/day to India and over 0.2m b/day to Turkey (i.e. a total of 1.7m b/day of Russian oil exports). This amounts to 52% of total waterborne Russian supply to all destinations over the period. Hence, there are significant volumes at risk if the sanctions prove to be effective. The extent of the effectiveness will soon be determined as it hinges on the US's willingness to enforce the sanctions.

- **Ukrainian attacks on Russian oil infrastructure**

Since May, there has been an intensification of attacks by Ukraine on Russian energy infrastructure. These attacks continued in October, with several oil refineries, oil depots and petrochemical plants being targeted. Notably, on October 11, a strike was reported on the Bashneft-UNPZ Oil Refinery in Bashkorostan, which is situated 1,400km inside Russia. Generally, there has been a strategic shift in Ukraine's approach to targeting Russian energy infrastructure, with potentially greater impact than western sanctions have achieved.

Factors which weakened WTI and Brent oil prices in October:

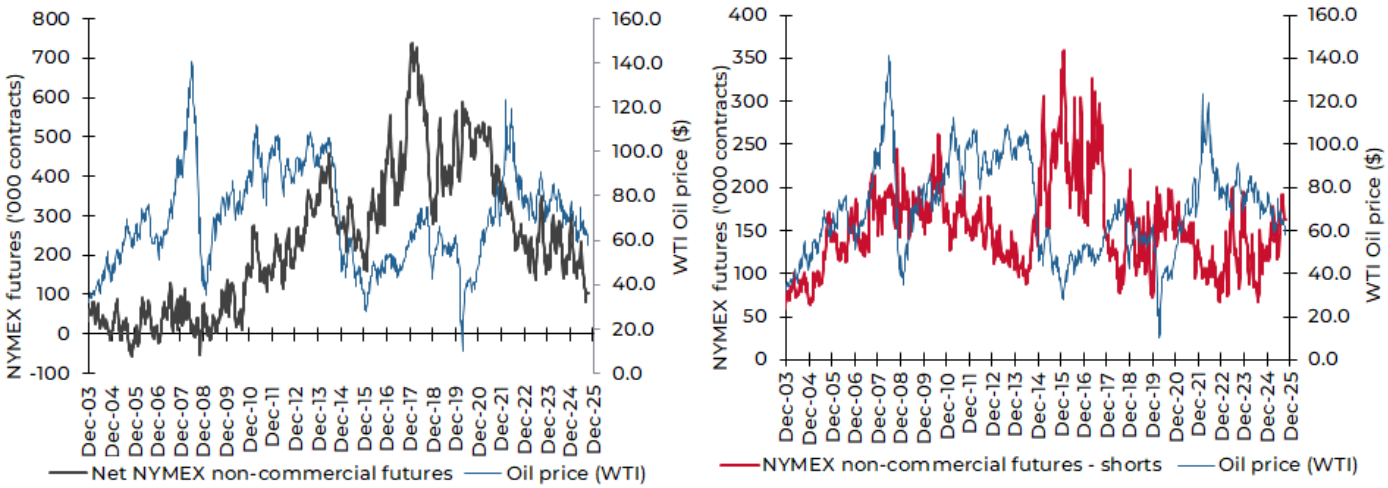
- **OPEC+ production increases**

Over the last six months, the OPEC+ group have unwound quota cuts of around 2.5m b/day (with about 60% of this oil expected to come through as additional supply). At the start of November, OPEC+ announced that they would raise production quotas in December by a further 137k b/day, in line with expectations. OPEC+ also announced that the group will pause production hikes in Q1 2026, due to seasonal weakness in the market. We see this as a nod from OPEC+ to the oversupply in the market in 1H 2026 that has been well telegraphed for several months.

- **Speculative and investment flows**

Due to the US government shutdown, the New York Mercantile Exchange (NYMEX) net non-commercial crude oil futures open position was not reported in October. The net open position was 103,000 contracts long at the end of September versus 110,000 contracts long at the end of August. 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 declined to 162,000 contracts at the end of September versus 191,000 at the end of the previous month.

NYMEX Non-commercial net and short futures contracts: WTI January 2004 – October 2025

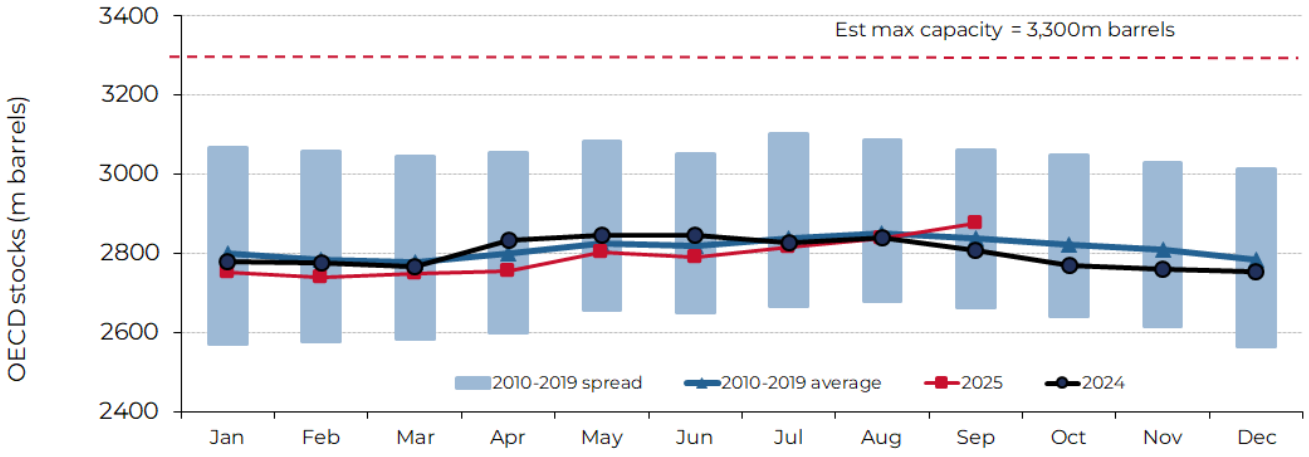


Source: Bloomberg LP/NYMEX/ICE (2025)

- **OECD stocks**

OECD total product and crude inventories at the end of September (latest data point) were estimated by the IEA to be 2,875m barrels, up by 36m barrels versus the level reported for the previous month. The move in September compares to a 10-year average (pre-COVID) draw of 15m barrels, implying that the OECD market was oversupplied. The significant oversupply situation in 2020 pushed OECD inventory levels close to maximum capacity in August 2020 (c.3.3bn barrels), with subsequent tightening taking inventories below normal levels.

OECD total product and crude inventories, monthly, 2010 to September 2025



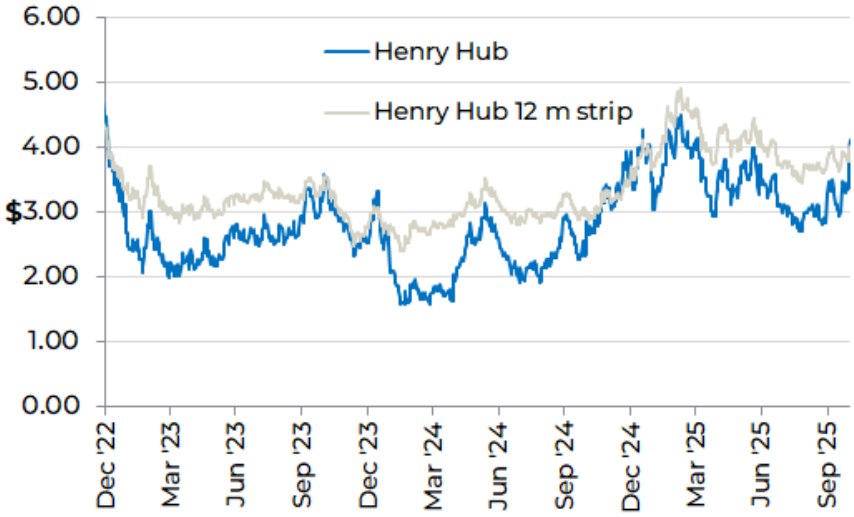
Source: IEA Oil Market Reports (October 2025 and older)

ii) Natural gas market

The US natural gas price (Henry Hub front month) opened October at $3.30/Mcf (1,000 cubic feet), fell over the month to $2.94/Mcf, then settled sharply higher to close at $4.12/Mcf. The spot gas price has averaged $3.46/Mcf so far in 2025, having averaged $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 pattern, opening at $3.79/Mcf and closing at $4.00/Mcf. The strip price has averaged $4.00/Mcf so far in 2025, having averaged $2.98 in 2024 and $3.19 in 2023.

Henry Hub gas spot price and 12m strip ($/Mcf): December 2022 to October 2025



Source: Bloomberg LP, November 2025

Factors which strengthened the US gas price in October included:

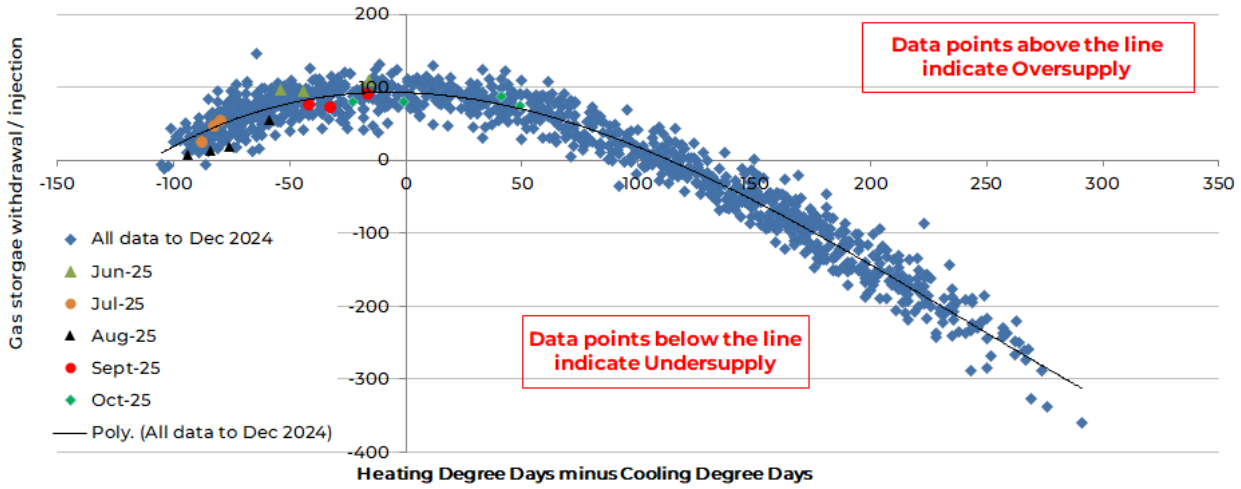
- **Anaemic rig count**

The number of rigs drilling for natural gas in the US fell from 160 in the middle of 2022 to a low of 94 in mid-September 2024. It has since averaged around 100 rigs operating and was reported at 125 rigs at the end of October 2025. Overall, the low number of gas rigs operating has slowed gas production growth, though 'associated gas' production (a by-product of shale oil) has continued to grow from the Permian basin.

- **Market undersupplied (ex-weather effects)**

Adjusting for the impact of weather, the US gas market was, on average, slightly undersupplied during October. This is a change to the looser markets over the earlier part of the summer, as illustrated in the chart below.

Weather-adjusted US natural gas inventory injections and withdrawals



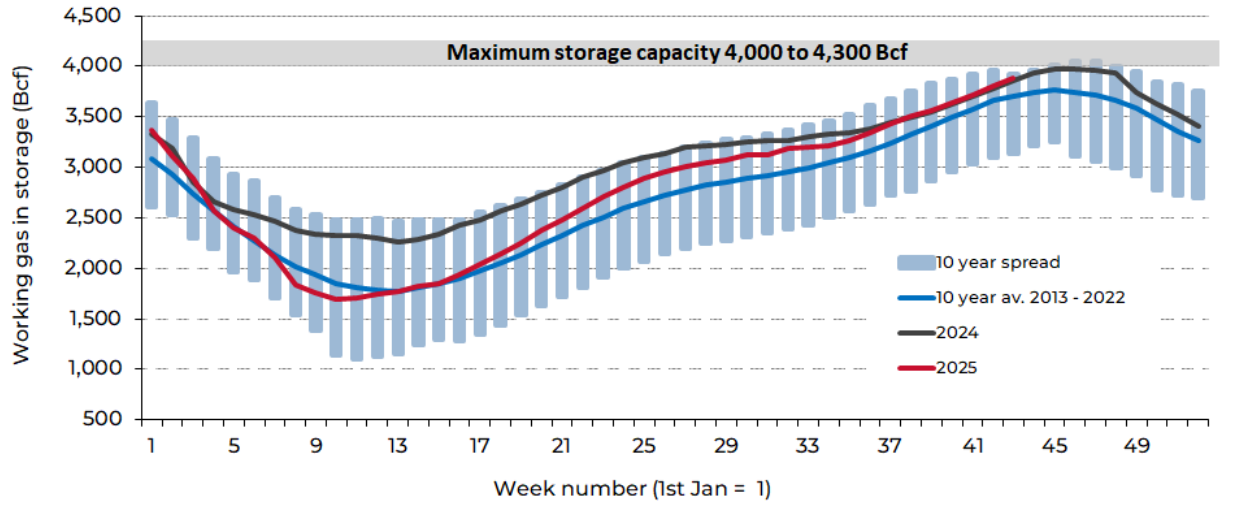
Source: Bloomberg LP; Guinness Global Investors; November 2025

Factors which were negative for the US gas price in October included:

- **Natural gas in inventories comfortably above the 10-year average**

At the end of October 2025, US natural gas inventories stood at around 3.9 Tcf, 5% above the 10-year average, as a result of stronger supply growth.

Deviation from 10yr US gas storage norm



Source: Bloomberg; Energy Information Administration (EIA), November 2025

MANAGERS' COMMENTS

Decline rates are an inevitable factor in global oil production, and the rate of production decline continues to increase, with the oil industry needing to find over 5m b/day of new production every year just to keep production flat. Lower declines in OPEC+ means that OPEC+ market share would rise sharply in a zero-investment or 'blow-down' oil production scenario, bringing serious energy security issues. Non-OPEC+ needs to keep exploring and developing oil to maintain share.

Decline rates are inevitable and are a constant challenge to offset

Oil reservoirs are typically pressurised fluid bodies, and the pressure present in the reservoir provides the energy to produce the oil to the surface. Over time, as oil is produced, reservoir pressure falls, and so the rate of production starts to slow. This production decline, known as the **decline rate**, is a natural and unavoidable factor for most oil fields.

Decline rates are difficult to measure. A recent report by the IEA estimated the decline rate to be around 8.5% per year for conventional oil fields and around 12% for unconventional oil fields, leading to a global average currently of **around 9%**, before any investment is made by oil companies to offset the decline.

Efforts to offset production decline include the drilling of in-fill wells or the flooding of reservoirs with water, gas, CO2 or solvents to maintain reservoir pressure. These enhanced recovery techniques are typically cheaper than drilling new wells in new oil fields and, over time, have been shown to reduce the natural decline by around 3 percentage points per year. Thus the natural decline of around 9% for global oil fields can be reduced to a 'managed' **decline rate of around 5.6%**, according to the IEA.

This requires significant investment and the IEA estimates that around 90% of the $550bn that has been invested in oil production over the last six years has been to offset the natural decline, with only 10% (around $50bn) being responsible for delivering actual growth.

Decline rates have increased as the oil industry has evolved

Decline rates for the oil industry have been increasing over the last 50 years and, given development trends, they are likely to continue increasing.

Back in the **1970s and 1980s,** global oil production was dominated by large, conventional onshore fields, especially in the Middle East, Russia, and North America. These fields typically had low managed decline rates, maybe 2–4% per year, due to their size, greater pressure support and relatively simple geology with multiple reservoir zones. They were typically developed in stages, justifying investment in improved reservoir management in order to recover their full potential and to maximise the sustained use of associated processing and transport infrastructure.

As these giant fields matured in the **early 1990s**, the industry started to develop new, smaller and more complex onshore or shallow water offshore discoveries, taking average managed decline rates up to around 4%.

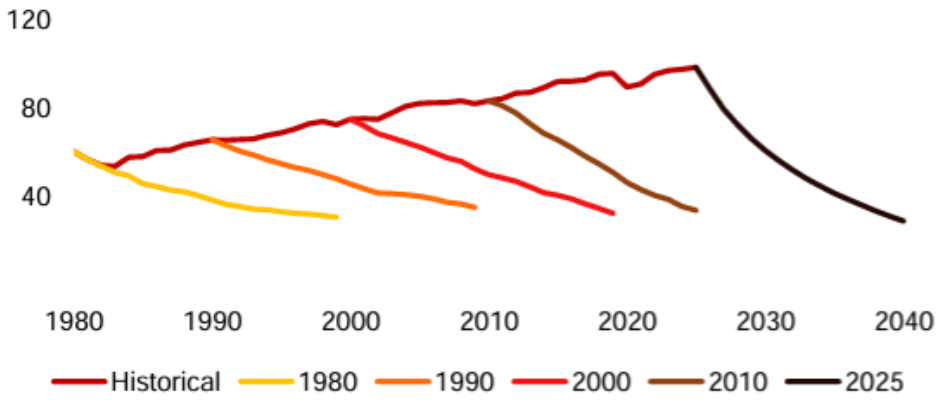
In the **mid 1990s and 2000s,** the industry began exploring and developing offshore fields in the deepwater. Greater financial and technical risks meant that these deepwater fields were optimised for quick payback and, as a result, they suffered a faster decline than onshore fields, typically at rates of 8-10% a year. Due to their offshore setting, remedial production activities were also more expensive, meaning that production declines arrived earlier and were steeper once reservoir pressure began to fall.

As offshore production became more important, average global managed decline rates began to rise towards 5%.

In the **late 2000s and early 2010s,** a period of higher oil prices incentivised the industry to develop shale and tight oil, especially in the United States and Canada. Unconventional fields were developed using fracking technology, which applied external pressure to the reservoir, causing very high initial rates of production but also very steep subsequent declines, typically around 25-40% in the first year.

Rapid development over the last 15 years means that these unconventional sources now make up around 20% of global output, driving the global weighted average decline rate higher, after offsetting investment, to around 5.6%, according to the IEA.

The decline rate of the oil industry continues to increase
Oil production with no investment from a given year (m b/day)

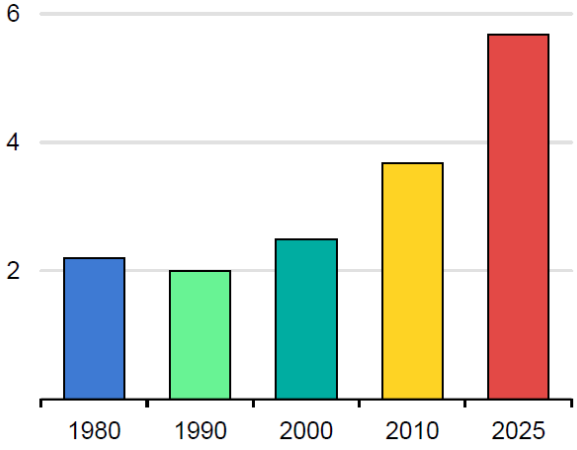


Source: TotalEnergies, IEA, 2025

Steeper declines ahead mean that development activity must remain high

The oil industry is having to run faster every year just to stay still. The IEA estimates that if no new investment were made, oil production would drop an average of 5.5m b/day per year to 2035, much greater the 2m b/day decline that would have been expected in the 1980s, 1990s and 2000s.

Average annual loss in oil production, without new investment



Source: IEA, 2025

Other participants in this market are more hawkish on decline rates. For example, a recent energy outlook for Exxon showed that, with no new investment, global oil production would drop from roughly 100m b/day to around 85m b/day in one year, with production falling to around 30m b/day in around five years.

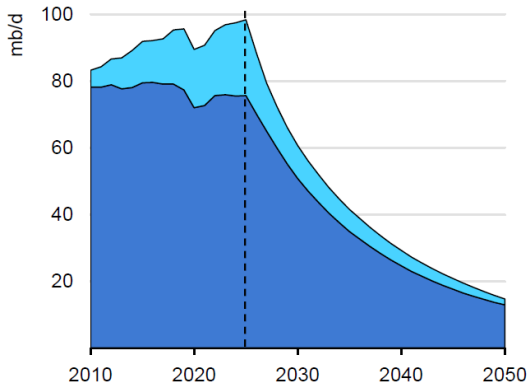
Energy security becomes an issue in any blowdown scenario

While global oil demand is likely to peak around 2030, there will be an ongoing need for non-OPEC+ countries to continue to develop their oil reserves because of differences in decline rates.

Oil fields in the Middle East, Russia and OPEC+ countries are typically larger, legacy oil fields with lower decline rates. In contrast, oil fields in non-OPEC+ countries such as Europe, West Africa, Brazil or Gulf of Mexico are typically smaller or offshore (with high decline rates) while those in the North American onshore are unconventional in nature and have exceptionally high decline rates. Non-OPEC+'s reliance on unconventional oil production in recent years means that it will face sharper declines in the years ahead.

Global oil production with natural declines rates from 2025

Conventional oil in dark blue and unconventional oil in light blue



Source: IEA, 2025

The effect is that, in a zero-investment or 'blow-down' scenario, the share of production from OPEC+ countries would rise sharply from around 40% in 2025 to around 50% by 2030 and 60% by 2040 as their lower-decline fields perform better. Regarding energy security, this would not be a palatable outcome for the major oil-importing countries. As such, there is a greater need for non-OPEC+ countries and for international oil companies in general to continue to explore and develop oil fields so that production declines are managed to more acceptable levels. Allowing oil production to decline naturally, even in a weaker oil demand scenario, would quickly raise the salience of energy security as an economic and political issue.

PERFORMANCE

The main index of oil and gas equities, the MSCI World Energy Index (net return), fell by 0.4% in October, while the MSCI World Index (net return) rose by 2.0% in USD.

Within the portfolio, October's strongest performers included Petrochina, Halliburton, Galp, ENI and Shell while the weakest performers included Williams, Enbridge, TC Energy and Kinder Morgan.

Past performance does not predict future returns.

Guinness Global Energy Fund
Performance (in USD) as at 31.10.2025

Cumulative returns	YTD	1 year	3 years ann.	5 years ann.	Launch of strategy* ann. (31.12.98)
Guinness Global Energy Fund	14.2%	9.8%	5.4%	25.1%	8.1%
MSCI World Energy NR Index	10.7%	7.3%	5.1%	26.1%	7.0%

Calendar year returns	2024	2023	2022	2021	2020	2019	2018
Guinness Global Energy Fund	-1.3%	2.6%	32.4%	44.5%	-34.7%	9.8%	-19.7%
MSCI World Energy NR Index	2.7%	2.5%	46.0%	40.1%	-31.5%	11.4%	-15.8%
	2017	**2016**	**2015**	**2014**	**2013**	**2012**	**2011**
Guinness Global Energy Fund	-1.3%	27.9%	-27.6%	-19.1%	24.4%	3.0%	-13.7%
MSCI World Energy NR Index	5.0%	26.6%	-22.8%	-11.6%	18.1%	1.9%	0.2%
	2010	**2009**	**2008***	**2007***	**2006***	**2005***	**2004***
Guinness Global Energy Fund	15.3%	61.8%	-48.2%	37.9%	10.0%	62.3%	41.0%
MSCI World Energy NR Index	11.9%	26.2%	-38.1%	29.8%	17.9%	28.7%	28.1%
	2003*	**2002***	**2001***	**2000***	**1999***		
Guinness Global Energy Fund	32.3%	6.7%	-4.1%	39.6%	22.5%		
MSCI World Energy NR Index	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 (0.99% 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 0.99% 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 31.10.2025

Cumulative returns	YTD	1 year	3 years ann.	5 years ann.
WS Guinness Global Energy Fund	9.9%	8.7%	1.1%	25.3%
MSCI World Energy NR Index	5.5%	5.0%	0.6%	25.7%

Calendar year returns	2024	2023	2022	2021	2020	2019	2018
WS Guinness Global Energy Fund	-0.8%	-3.2%	49.9%	45.7%	-35.7%	12.6%	-6.3%
MSCI World Energy NR Index	4.5%	-3.3%	64.4%	41.4%	-33.6%	7.2%	-10.6%

	2017	2016	2015	2013	2012
WS Guinness Global Energy Fund	-7.2%	65.2%	-29.6%	-26.6%	-4.7%
MSCI World Energy NR Index	-4.1%	51.0%	-18.3%	-6.1%	15.9%

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 0.96% 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

In October, there were no buys and sells in the portfolio.

Sector Breakdown

The following table shows the asset allocation of the Guinness Global Energy Fund at **October 31 2025**.

Asset allocation as %NAV	Current	*Change*	Last year end	Previous year ends								
	Oct-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	**98.0%**	***0.2%***	***97.8%***	**98.9%**	**97.4%**	**96.9%**	**94.8%**	**98.3%**	**96.7%**	**98.4%**	**96.7%**	**95.1%**	**93.7%**
Integrated	55.4%	*0.3%*	*55.1%*	54.7%	54.7%	57.7%	56.3%	51.1%	46.4%	42.9%	46.4%	41.5%	37.3%
Exploration & Production	16.5%	*-2.8%*	*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%	0.1%	2.2%	1.9%	2.2%	1.5%	3.3%
Equipment & Services	9.0%	*-0.8%*	*9.8%*	10.0%	9.0%	4.0%	4.6%	9.6%	8.6%	9.5%	8.6%	11.4%	13.4%
Storage & Transportation	10.6%	*2.6%*	*8.0%*	5.0%	4.8%	4.3%	4.4%	4.0%	0.0%	3.5%	0.0%	0.0%	0.0%
Refining & Marketing	6.4%	*0.8%*	*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%*	0.2%	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%
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%
Cash	2.0%	*-0.2%*	*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 October 2025 was on a price to earnings (PE) ratio for 2025/2026 of 12.8x/12.5x versus the MSCI World Index at 22.6x/20.1x as set out in the following table:

As at 31 October 2025	PE		
	2024	2025E	2026E
Guinness Global Energy Fund	11.8x	12.8x	12.5x
MSCI World Index	24.5x	22.6x	20.1x
Fund Premium/(Discount)	*-52%*	*-43%*	*-38%*

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 October 31 2025, the median P/E ratio of this group was 10.4x 2025 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.17%) 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 / proven reserves.

We have exposure to two emerging market stocks, Petrochina and Sinopec, which in total represent around 4.2% 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 are well placed to execute their pipeline and energy infrastructure expansion plans.

We have reasonable exposure to oil service stocks, which comprise around 9% 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 September 30 2025 (for compliance reasons disclosed one month in arrears)

Guinness Global Energy Fund (30 September 2025)			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	5.2%	14.5x	16.8x	15.2x	7.8x	7.4x	7.0x	1.9x	1.9x	1.8x
Chevron Corp	US1667641005	5.1%	18.5x	20.1x	17.1x	9.2x	8.4x	7.3x	1.8x	1.9x	2.0x
Shell PLC	GB00BP6MXD84	4.9%	9.4x	11.5x	11.0x	4.1x	4.6x	4.7x	1.2x	1.2x	1.2x
Total SA	FR0000120271	4.5%	7.6x	8.9x	8.6x	4.1x	4.6x	4.7x	1.3x	1.1x	1.1x
BP PLC	GB0007980591	4.7%	12.5x	13.0x	11.9x	4.8x	4.3x	4.4x	1.5x	1.5x	1.5x
Equinor ASA	NO0010096985	3.0%	8.0x	8.6x	8.2x	1.7x	1.8x	1.9x	1.6x	1.5x	1.4x
ENI SpA	IT0003132476	3.2%	10.8x	10.5x	10.1x	4.3x	4.3x	4.3x	1.0x	0.9x	0.9x
Repsol SA	ES0173516115	3.6%	8.3x	6.6x	6.3x	5.0x	3.8x	3.7x	0.8x	0.7x	0.6x
Galp Energia SGPS SA	PTGAL0AM0009	3.1%	12.1x	12.6x	12.3x	4.8x	5.3x	5.0x	2.9x	2.5x	2.3x
OMV AG	AT0000743059	3.2%	6.5x	9.3x	8.2x	3.6x	4.1x	4.3x	1.1x	0.9x	0.9x
		40.3%									
Integrated / Oil & Gas E&P - Canada											
Suncor Energy Inc	CA8672241079	4.3%	11.7x	14.2x	15.4x	4.8x	5.6x	5.7x	1.7x	1.6x	1.6x
Canadian Natural Resources Ltd	CA1363851017	3.6%	15.5x	12.1x	13.3x	6.8x	6.3x	6.5x	2.5x	2.2x	2.1x
Cenovus Energy Inc	CA15135U1093	3.1%	13.8x	13.7x	15.4x	5.0x	5.5x	5.3x	1.5x	1.4x	1.3x
Imperial Oil Ltd	CA4530384086	4.1%	13.8x	15.2x	17.7x	7.9x	8.7x	9.8x	2.8x	2.6x	2.5x
		15.0%									
Integrated Oil & Gas - Emerging market											
PetroChina Co Ltd	CNE1000003W8	2.4%	7.0x	7.4x	7.4x	3.5x	3.8x	3.7x	0.8x	0.8x	0.7x
		2.4%									
Oil & Gas E&P											
ConocoPhillips	US20825C1045	4.4%	12.2x	14.6x	14.2x	5.9x	5.4x	5.5x	1.9x	1.8x	1.8x
EOG Resources Inc	US26875P1012	3.2%	9.6x	11.3x	10.2x	4.7x	5.0x	4.6x	2.1x	2.0x	1.9x
Diamondback Energy Co	US25278X1090	3.1%	9.0x	11.2x	11.8x	8.1x	6.0x	6.1x	1.1x	1.0x	0.9x
Devon Energy Corp	US25179M1036	2.6%	7.3x	8.8x	8.2x	4.0x	4.0x	4.0x	1.6x	1.4x	1.3x
		13.3%									
International E&Ps											
Pharos Energy PLC	GB00B572ZV91	0.0%	13.5x	n.m.	n.m.	1.1x	1.4x	1.1x	0.4x	n.m.	n.m.
		0.0%									
Midstream											
Kinder Morgan Inc	US49456B1017	3.0%	23.9x	22.1x	21.0x	14.3x	11.6x	11.2x	2.1x	2.0x	2.0x
Enbridge Inc	CA29250N1050	3.1%	19.8x	22.6x	21.8x	17.2x	13.1x	12.6x	2.6x	2.6x	2.6x
TC Energy Corp	CA87807B1076	2.7%	19.4x	21.0x	19.7x	16.9x	13.6x	12.7x	3.2x	3.1x	3.0x
Williams Cos	US9694571004	2.7%	33.7x	29.7x	26.5x	19.0x	13.9x	12.9x	6.2x	6.2x	6.1x
		11.5%									
Equipment & Services											
Schlumberger Ltd	AN8068571086	2.5%	9.3x	12.0x	11.2x	5.8x	7.4x	6.9x	2.3x	2.1x	2.0x
Halliburton Co	US4062161017	2.3%	8.5x	11.8x	11.5x	5.1x	7.0x	7.1x	2.0x	2.0x	1.8x
Baker Hughes a GE Co	US05722G1004	3.1%	21.3x	20.2x	18.3x	10.6x	11.0x	10.1x	2.9x	2.5x	2.4x
Helix Energy Solutions Group Inc	US42330P1075	0.6%	14.0x	33.5x	17.1x	3.3x	5.5x	4.5x	0.6x	0.6x	0.6x
		8.6%									
Oil & Gas Refining & Marketing											
China Petroleum & Chemical Corp	CNE1000002Q2	1.4%	9.1x	10.2x	9.0x	5.9x	5.8x	5.4x	0.6x	0.5x	0.5x
Valero Energy Corp	US91913Y1001	5.0%	19.8x	20.1x	15.3x	8.8x	9.4x	8.2x	2.2x	2.1x	2.0x
		6.4%									
Research Portfolio											
EnQuest PLC	GB00B635TG28	0.0%	n.m.	n.m.	19.7x	1.6x	1.9x	1.9x	0.5x	0.6x	0.8x
Diversified Energy Company	GB00BQHP5P93	0.0%	7.7x	6.3x	5.5x	16.0x	4.4x	4.0x	1.6x	n.m.	n.m.
		0.1%									
Cash	**Cash**	**2.3%**									
Portfolio	Total	**100.0%**	**11.8x**	**13.0x**	**12.4x**	**5.6x**	**5.7x**	**5.6x**	**1.6x**	**1.5x**	**1.5x**

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	2025E	2026E
											IEA	*IEA*
World Demand	***95.3***	***96.4***	***98.2***	***99.5***	***100.7***	***91.8***	***97.4***	***100.0***	***102.2***	***103.1***	***103.8***	***104.5***
Non-OPEC supply (inc NGLs)	*62.1*	*61.5*	*62.5*	*65.0*	*67.0*	*64.4*	*65.0*	*66.9*	*69.3*	*70.4*	*72.0*	*73.2*
OPEC NGLs	*5.2*	*5.3*	*5.4*	*5.5*	*5.3*	*5.2*	*5.3*	*5.5*	*5.5*	*5.5*	*5.6*	*5.9*
Non-OPEC supply plus OPEC NGLs	**67.3**	**66.8**	**67.9**	**70.5**	**72.3**	**69.6**	**70.3**	**72.4**	**74.8**	**75.9**	**77.6**	**79.1**
Call on OPEC (crude oil)	**28.0**	**29.6**	**30.3**	**29.0**	**28.4**	**22.2**	**27.1**	**27.6**	**27.4**	**27.2**	**26.2**	**25.4**
Congo supply adjustment	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	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**	**26.8**	**26.6**	**25.6**	**24.8**

Source: Bloomberg; IEA; Guinness Global Investors, Nov 2025

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 2024 by over 11m b/day, leaving overall consumption in 2024 2.4m 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 September 2025

('000 b/day)	31-Dec-19	31-Aug-25	30-Sep-25	Current vs Dec 2019	Current vs last month
Saudi	9,730	9,660	**9,980**	250	320
Iran	2,080	3,350	**3,390**	1,310	40
Iraq	4,610	4,320	**4,320**	-290	0
UAE	3,040	3,500	**3,500**	460	0
Kuwait	2,710	2,540	**2,520**	-190	-20
Nigeria	1,820	1,630	**1,550**	-270	-80
Venezuela	730	910	**1,000**	270	90
Libya	1,110	1,270	**1,310**	200	40
Algeria	1,010	950	**960**	-50	10
OPEC-9	**26,840**	**28,130**	**28,530**	**1,690**	**400**

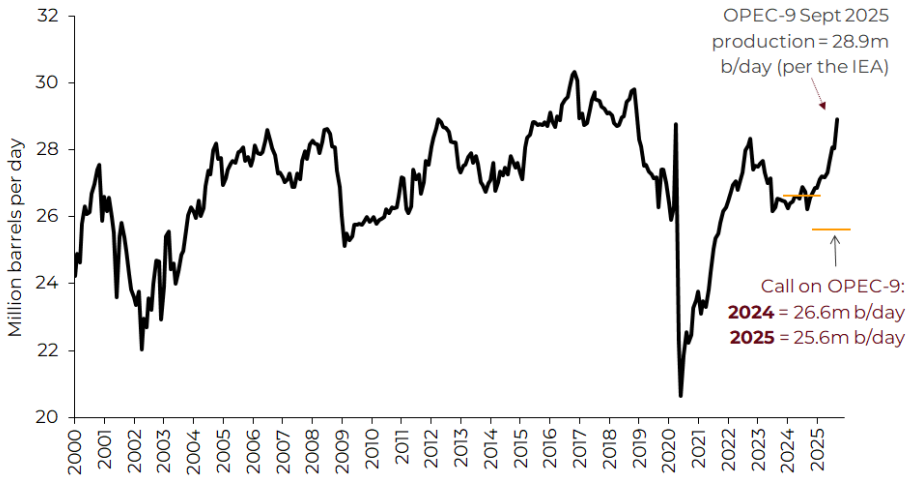
Source: Bloomberg; Guinness Global Investors, 30.9.2025

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. Most recently, over the summer of 2025, the group has increased quotas sharply, taking advantage of low inventories to bring its oil back to market.

OPEC-9 apparent production vs call on OPEC 2000 – 2025



Source: IEA Oil Market Report (Sept 2025 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.

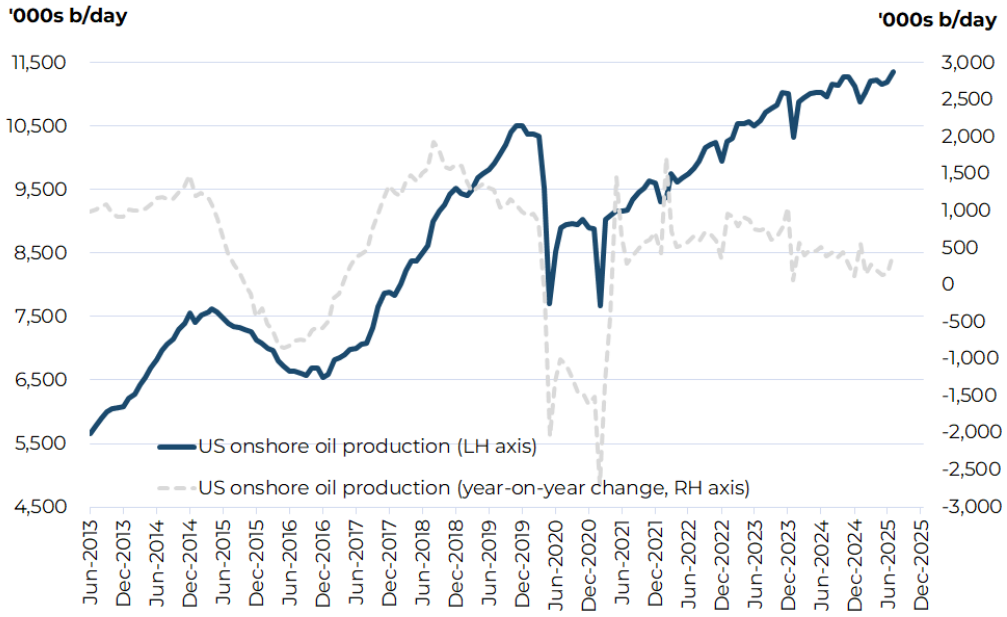
Nothing in the market in recent years has changed our view that OPEC can put a floor under the price – as they did in 2020, 2018, 2016, 2008, 2006, 2001 and 1998.

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 2009-2024.

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 barely grown over this period, despite the sustained high oil price until mid-2014.

US onshore oil production



Source: EIA; Guinness Global Investors, October 2025

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 2025 oil demand will rise by around 0.7m b/day to 103.8m b/day, 3.1m b/day ahead of the 2019 pre-COVID peak. 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 key – 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 $80/bl, the world oil bill as a percentage of GDP is around 2.7%, 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 17m in 2024, up from 14m in 2023. We expect to see strong EV sales growth again in 2025, up to around 22m, exceeding 20% of total global sales. Even applying an aggressive growth rate to EV sales, we see EVs comprising only around 5-6% of the global car fleet by the end of 2025. 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 around 2030.

Conclusions about oil

The table below summarises our view by showing our oil price forecasts for WTI and Brent in 2025 versus recent history.

Average WTI & Brent yearly prices, and changes

																			Est
Oil price ($/bl)	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
WTI	72	100	62	80	95	94	98	93	49	43	51	65	57	39	68	94	78	76	67
Brent	73	99	63	80	111	112	109	99	54	45	55	72	64	43	71	99	83	81	70
Brent/WTI average	**73**	**99**	**62**	**80**	**103**	**103**	**103**	**96**	**51**	**44**	**53**	**68**	**61**	**41**	**70**	**97**	**80**	**78**	**69**
Brent/WTI y-on-y change	-3%	37%	-37%	28%	29%	0%	0%	-7%	-47%	-13%	19%	29%	-11%	-32%	68%	39%	-17%	-2%	-13%
Brent/WTI (5yr MAV)	59	72	75	78	83	89	90	97	91	80	70	63	55	53	58	67	70	73	79

Source: Guinness Global Investors estimates, Bloomberg, Oct 2025

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, well under 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	2025E	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	22.8	22.5
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	36.8	35.8	35.1
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	23.6	23.7
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	6.7	7.0
LNG exports	-	-	-	0.1	1.0	2.6	2.8	4.8	6.4	9.7	12.0	12.6	12.6	15.9	18.7
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	8.3	8.4	8.0
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**	**113.2**	**115.0**
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**	**4.8**	**1.8**

Source: EIA; GS; Guinness estimates, Oct 2025

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 2022 38% 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 2024 (including Mexican and LNG exports) was around 108.8 Bcf/day, up by 1.7 Bcf/day versus 2023 and 13 Bcf/day higher than the pre-COVID level in 2019. The biggest contributor to the growth in demand in 2024 was power generation.

We expect US demand growth in 2025 of 3.0 Bcf/day, similar to the average growth seen between 2021 and 2024. Growth is expected to be driven by higher LNG exports and greater power generation demand. Beyond 2025, 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 3 Bcf/day by the end of 2025 and a further 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	2025E	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	101.7	105.6	107.2
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	6.2	5.8
LNG imports & other	0.8	0.6	0.5	0.5	0.4	0.3	0.1	0.1	-	-	0.1	-	-	-	
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**	**107.5**	**111.8**	**113.0**
Supply growth	**2.4**	**-**	**4.4**	**3.3**	**- 0.3**	**0.4**	**10.1**	**6.4**	**- 0.7**	**1.4**	**6.2**	**4.6**	**- 0.2**	**4.3**	**1.2**
(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**	**0.9**	**1.4**	**2.0**

Source: EIA; GS; Guinness estimates, Oct 2025

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 125 at the end of October 2025. 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.

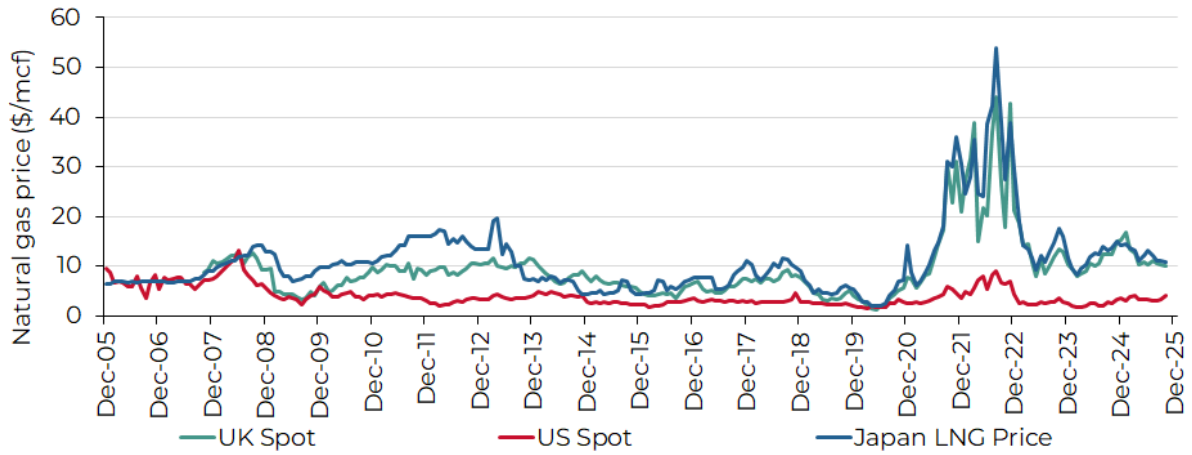
Associated gas production is expected to rise again in 2025 albeit at a slower pace (+0.8 Bcf/day) than in 2022 (+5.5 Bcf/day) and 2023 (+3.6 Bcf/day). Lower supply growth is expected from onshore properties as weaker natural gas prices have brought a lower rig count and lower investment.

Outlook for US LNG exports – global gas arbitrage

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

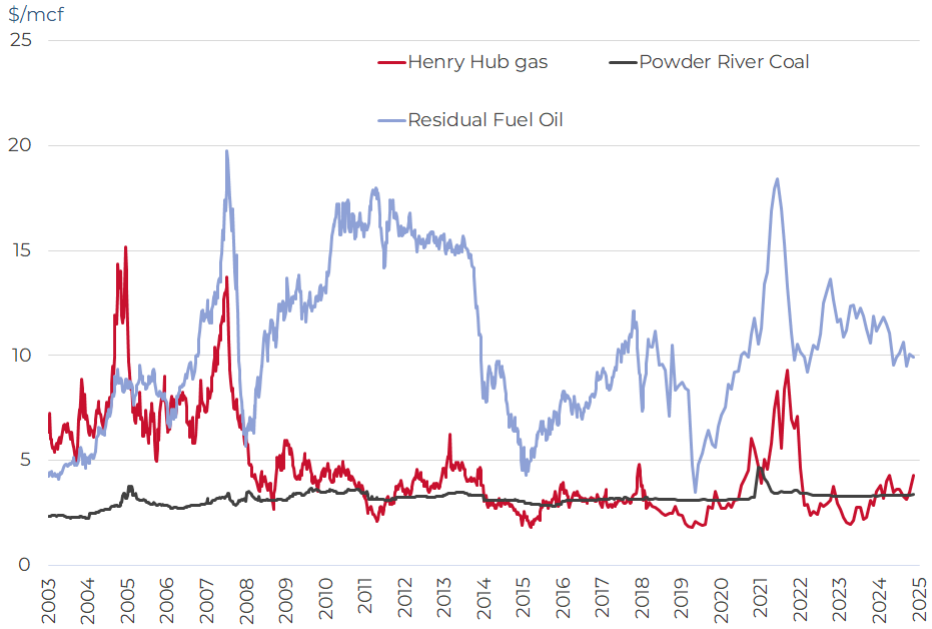


Source: Bloomberg; Guinness Global Investors, Sept 2025

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, Oct 2025

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 2025, we expect a Henry Hub price at around this level.

APPENDIX: Oil and gas markets historical context

Oil price (WTI $) since 1989

Source: Bloomberg, Oct 2025

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.

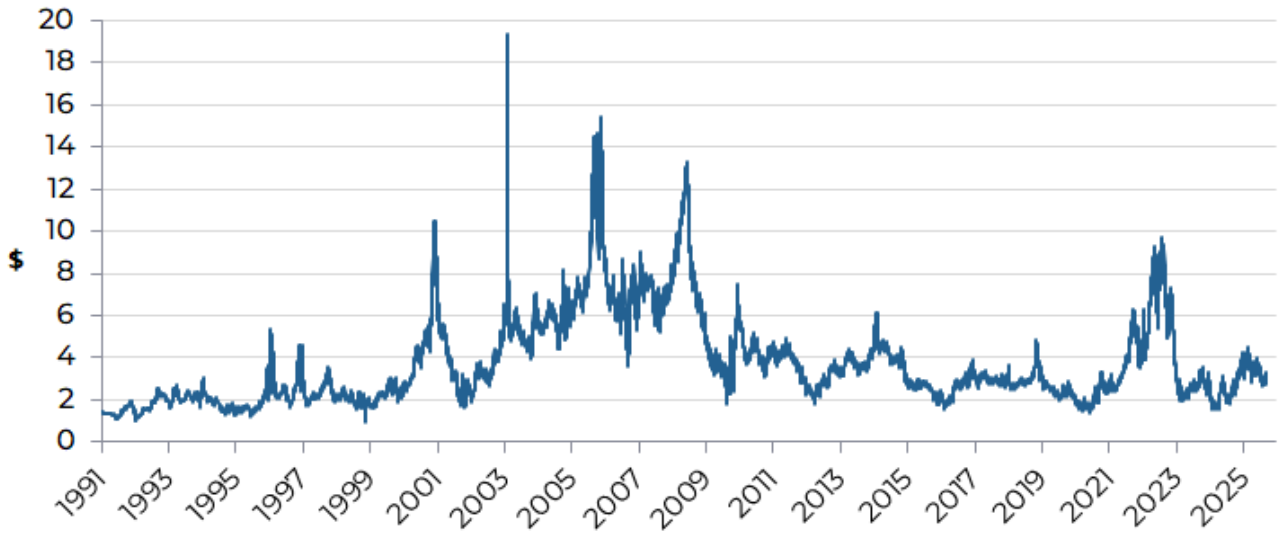
Continued expectations of a supply crunch by the end of the decade, coupled with increased speculative activity in oil markets, contributed to the oil price surging past $90 in the final months of 2007 and as high as $147 by the middle of 2008. This spike was brought to an abrupt end by the collapse 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 rang 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:** Underinvestment in new oil capacity in the 2015-2020 period catalysed the start of a new cycle in 2021, pushing prices above $75/bl.

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



Source: Bloomberg, Oct 2025

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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GUINNESS GLOBAL ENERGY FUND

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