Guinness Global Energy

Investment Commentary – June 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.

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COMMENTARY

OIL

Spot prices highly volatile amid Middle East conflict

The WTI and Brent spot oil prices declined in May as hopes rose of a resolution to the Strait of Hormuz closure. Brent fell from $122/bl to $93/bl, whilst WTI fell from $105 to $87/bl. Global inventories are falling fast, as the main measure to keep the oil market balanced. Further details below, in our Managers' Comments.

NATURAL GAS

Global gas prices rise in May

Asian and European liquefied natural gas (LNG) prices rose in May and remain around 50-90% 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

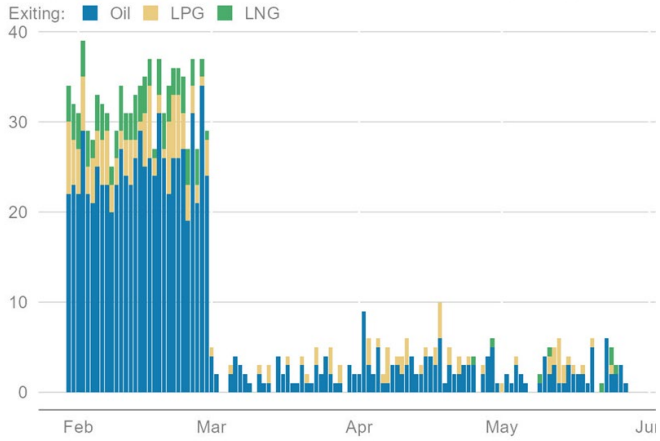
Energy underperforms the broad market in May

Comparing energy equities to the broader market, the MSCI World Energy Index (net return) fell by 5.8% (USD) in May, underperforming the MSCI World Index (net return), which rose by 4.6%. Year-to-date, the MSCI World Energy Index is up 26.3% versus the MSCI World Index up by 10.5%.

CHART OF THE MONTH

The number of oil, LPG and LNG tankers exiting the Strait of Hormuz daily averaged around two vessels in May. 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.

Number of tankers exiting the Strait of Hormuz

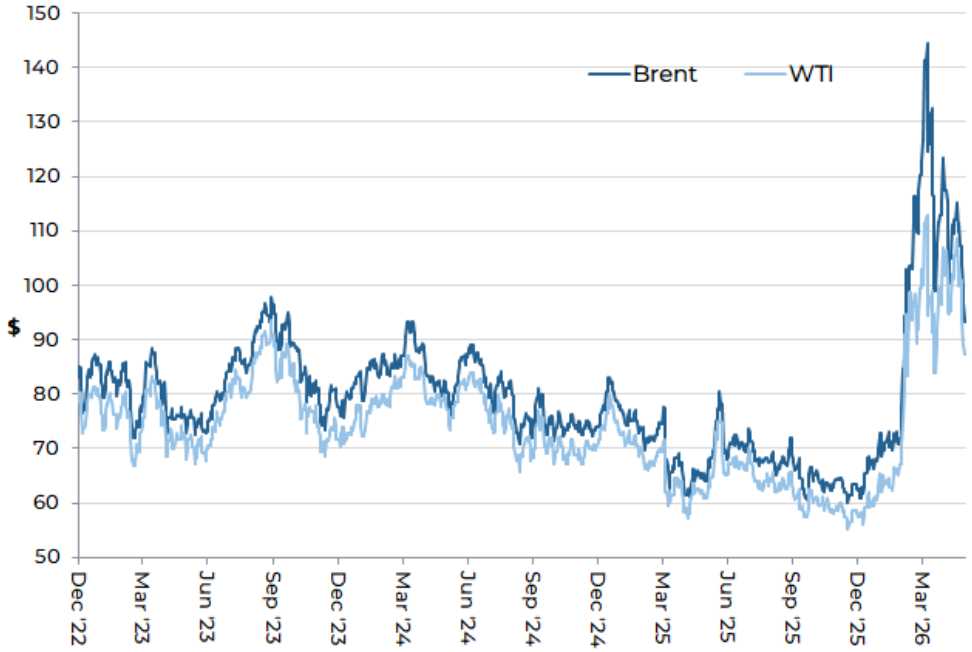


Source: Morgan Stanley, June 2026

MAY IN REVIEW

i) Oil market

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



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

The West Texas Intermediate (WTI) oil price began May at $105/bl and spent most of the month in a trading range of $90-100/bl, before slipping to close at $87/bl. Brent oil traded in a similar shape, albeit more volatile, starting the month at $122/bl and ending at $93/bl. Brent has averaged $94/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 May at around $6/bl. The Brent-WTI spread has averaged around $5/bl in recent years.

Factors which strengthened WTI and Brent oil prices in May:

- **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.

- **Ukrainian attacks on Russian oil facilities**

During May, Ukraine intensified drone strikes on Russian oil infrastructure, hitting refineries and terminals including Syzran, Tamanneftegaz, Yaroslavl, Astrakhan and Novorossiysk, as part of a campaign to disrupt Moscow's fuel supplies and war-financing energy revenues.

Factors which weakened WTI and Brent oil prices in May:

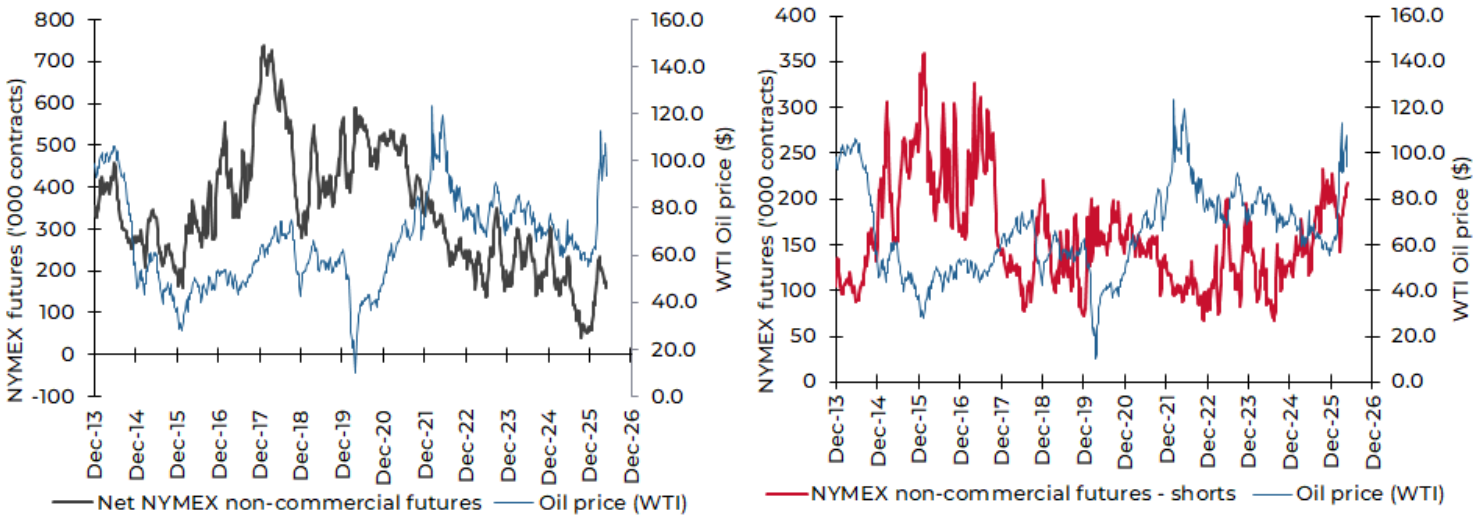
- **UAE's withdrawal from OPEC**

At the end of 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.

Speculative and investment flows

New York Mercantile Exchange (NYMEX) net non-commercial crude oil futures open position was 161,000 contracts long at the end of May versus 192,000 contracts long at the end of April. 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 217,000 contracts at the end of May versus 199,000 at the end of the previous month.

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

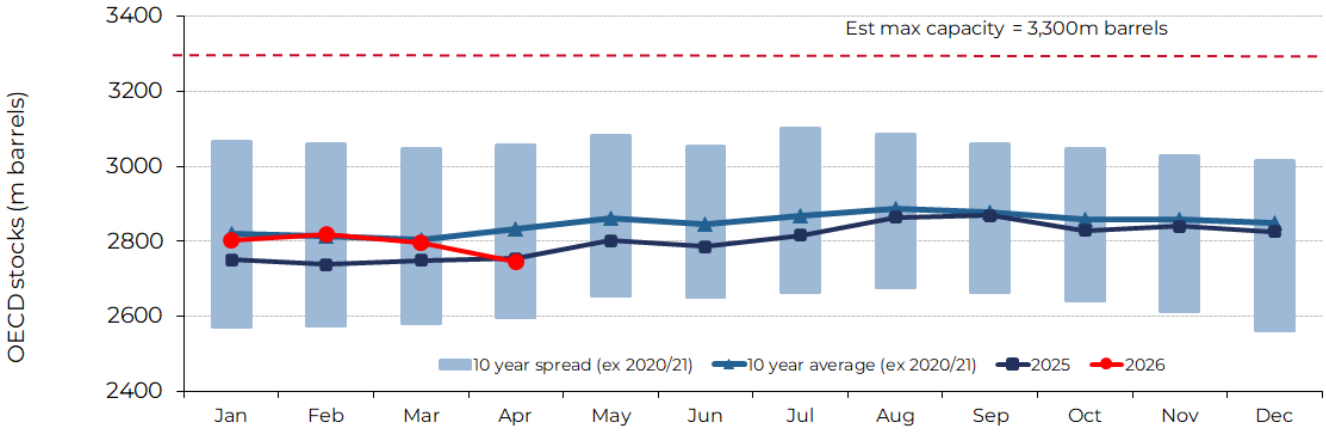


Source: Bloomberg LP/NYMEX/ICE (2026)

OECD stocks

OECD total product and crude inventories at the end of April (latest data point) were estimated by the International Energy Agency (IEA) to be 2,746m barrels (bls), down by 50m bla versus the level reported for the previous month. The move in April compares to a 10-year average (pre-COVID) build of 32m bla. Oil was still arriving in OECD commercial inventories in March as it had shipped before the start of the US-Iran conflict, but significant draws started to show up in April. At the end of April, the overall level of OECD inventories sat below the 10-year average.

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



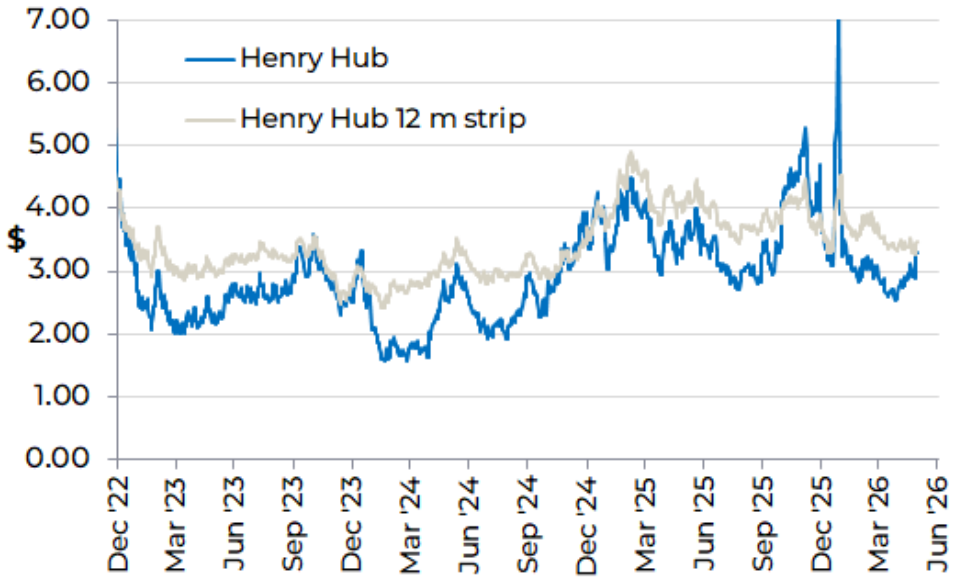
Source: IEA Oil Market Reports (May 2026 and older)

ii) Natural gas market

The US natural gas price (Henry Hub front month) opened May at $2.77/Mcf (1,000 cubic feet) and generally trended higher over the month, closing at $3.29/Mcf. The spot gas price has averaged $3.19/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 up slightly opening at $3.41/Mcf and closing at $3.47/Mcf. The strip price has averaged $3.61/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 May 2026



Source: Bloomberg LP, June 2026

Factors which strengthened global gas prices in May 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, QatarEnergy, 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, early in the conflict, 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 quickly, since it takes that time to ramp facilities back up to full production.

- **Lower US LNG exports**

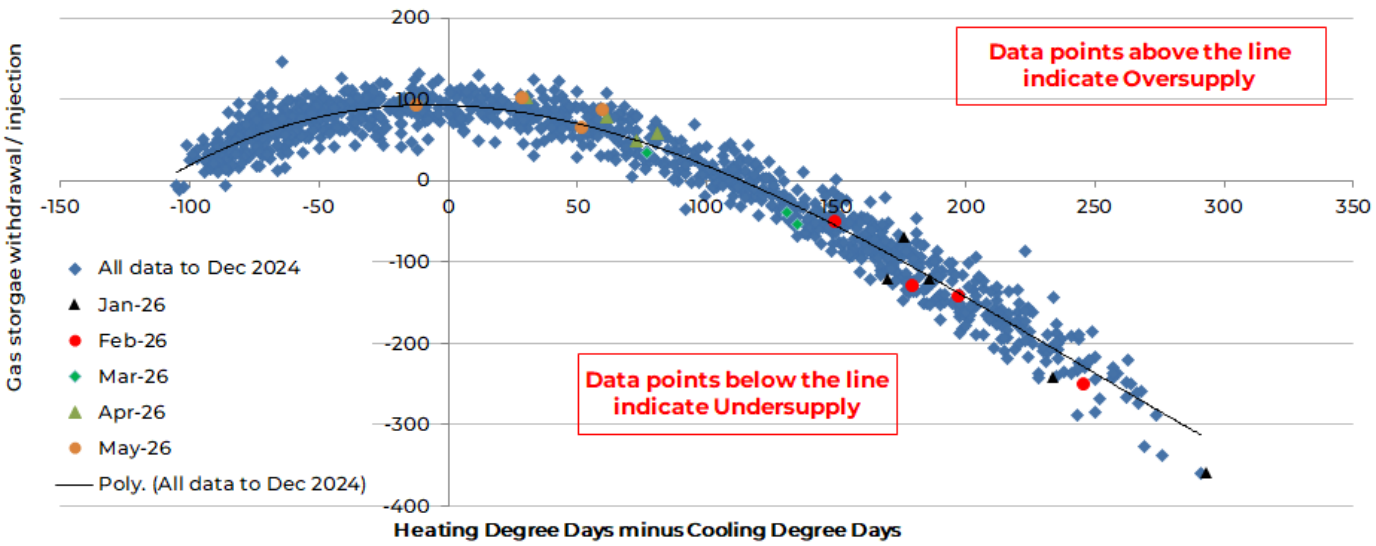
Exports of liquefied natural gas (LNG) from the US declined roughly 10% in May compared to April. The decline can be attributed to routine maintenance and a technical (but temporary) issue at the Freeport export terminal, and comes at a time when demand for ex-Middle Eastern LNG remains very high.

Factors which weakened global gas prices in May 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 May.

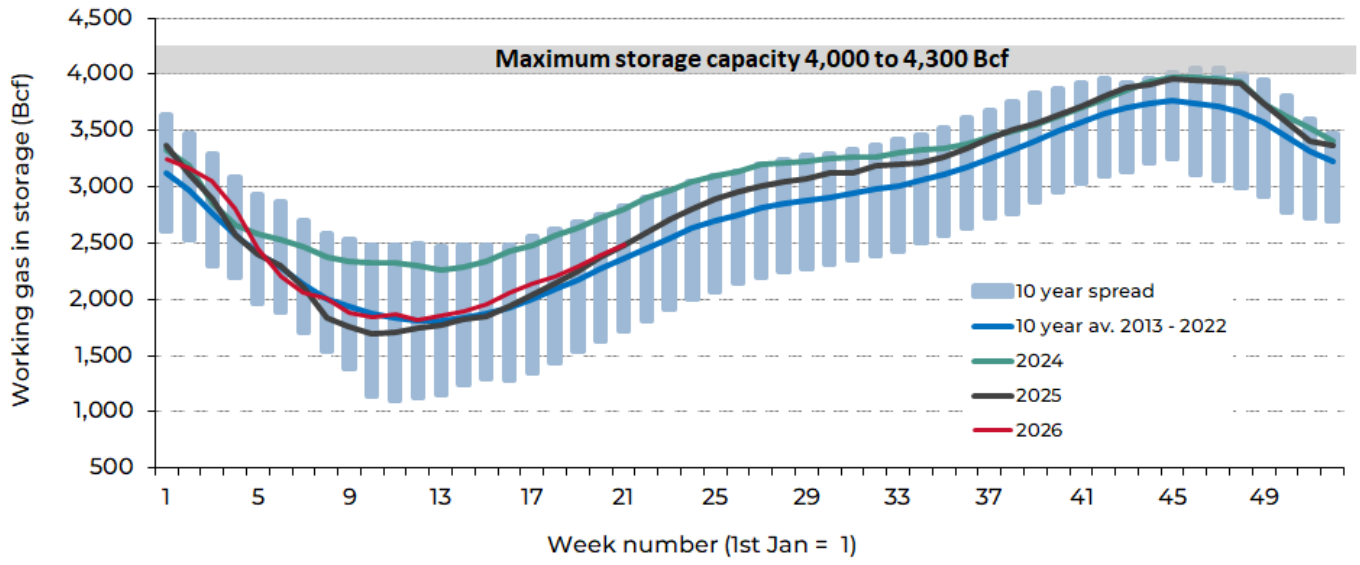
Weather-adjusted US natural gas inventory injections and withdrawals



Source: Bloomberg LP; Guinness Global Investors; June 2026

US natural gas inventories started May 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), June 2026

MANAGERS' COMMENTS

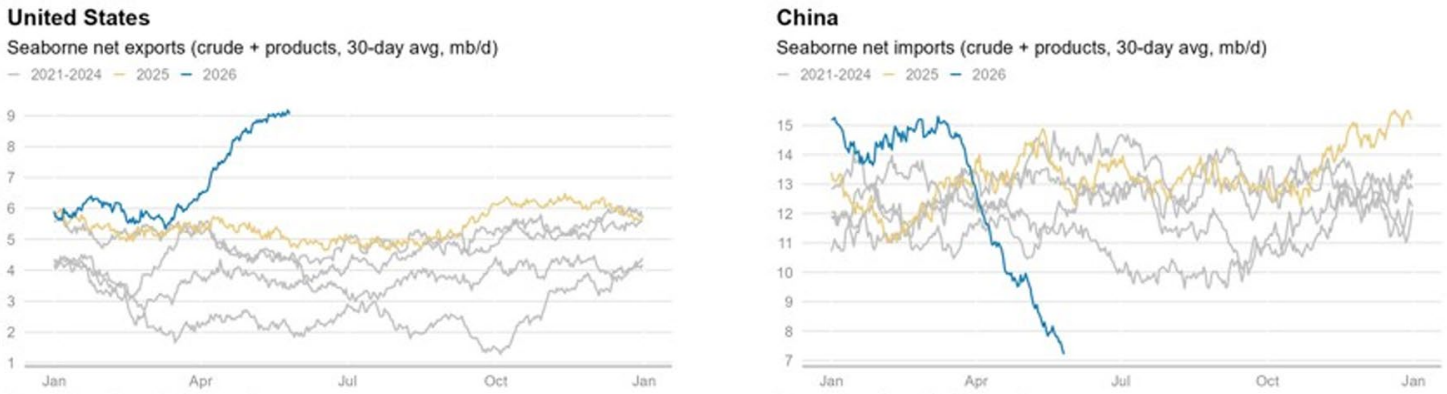
With Strait of Hormuz disruption now entering its fourth month, we take the opportunity to provide detailed answers to important questions that we are receiving from investors about oil price levels, minimum oil inventory operating levels, production recovery scenarios and energy equity valuations. Many see it as surprising that, since the start of the conflict, energy equities have underperformed global equities and that, for example, the shares of US super majors Exxon and Chevron have declined.

Why is the oil price not higher?

It is somewhat puzzling that the oil price is not higher, given the extent of Middle Eastern disruption. To rationalise the situation, we think that the following three factors have helped to keep oil prices lower than otherwise expected over the last three months:

1. **Large buffers.** The oil market was in an oversupplied state at the start of 2026 while oil and oil product inventories (including oil on the water) were at elevated levels. The weak oil macro outlook was very well telegraphed and reflected in the Brent oil price being just over $60/bl at the start of the year. As such, oil prices are up more than 50% so far this year.
2. **Deal optimism.** The re-opening of the Strait has been 'around the corner' at any moment, with persistently positive news flow from the United States that a resolution would lead to the re-opening of the Strait. We note that the Brent oil price (as it is referred to) is a contract that is delivered, on average, 8 weeks into the future. At any point in the last three months, it seemed possible that the Strait would be open in 8 weeks and hence forward oil prices have faced headwinds. The combination of optimism and contract structure has kept oil prices lower.
3. **A rapid rebalancing of oil flows.** In recent weeks we have seen a willingness from the US to rapidly increase oil exports (from around 5m b/day to around 9m b/day) and from China to rapidly reduce net oil imports (falling from around 13m b/day this time last year to around 7.5m b/day over the last few weeks). This has helped balance trade flows and reduce stress in the system, keeping oil prices under control.

Seaborne net oil exports from the United States and imports to China



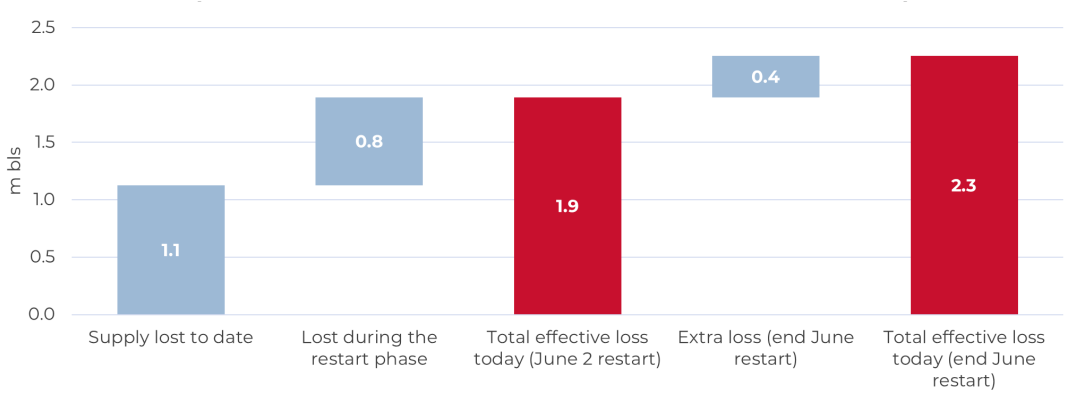
Source: Vortexa, Morgan Stanley, June 2026

How long can oil and oil product inventories continue to draw?

With around 14m b/day of oil being disrupted (100m bls per week), only two factors can help to balance the market: **demand change** and **inventory drawdown**. In its most recent monthly report, the IEA estimates that global oil demand will be down around 4.3m b/day in April and 5.5m b/day in May 2026 (representing around one third of the 14m b/day of volumes being lost). If these demand numbers prove to be correct, then inventories must be shouldering around two thirds of the burden and falling at a rate of around 9m b/day (equivalent to 60m bls per week or 270m bls per month).

As of the end of May, we estimate that 1.1bn bls have already been lost to the market and that a further 0.8bn bls will be lost to the market by the time that supply is returned to normal, bringing the total loss to around 1.9bn bls. That total will increase by around 0.4bn bls for every month more that the strait remains closed. Therefore, we think it is fair to say that the total oil and oil product lost to the market will exceed 2bn bls.

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



Source: Guinness estimates, June 2026

As noted above, global oil and oil product inventories were robust at the start of the year, estimated by JP Morgan to be a total of around 8.4bn bls. Of this, around 1.8bn bls was held afloat at the start of the year, mostly in oil tankers transporting supply to market, meaning that around 6.6bn bls was held onshore in storage tanks, export terminals, pipelines and refineries.

The 'bottom line' for inventories is unclear since the industry has never suffered a supply shortage like this before. JP Morgan recently argued that much of this inventory is critical for the day-to-day operation of the oil industry and that in fact **only 0.8bn bls can be removed from inventory** before the system starts to suffer operational stress. In their words, "*pipelines lose pressure flexibility, terminals cannot load efficiently, refiners struggle to secure the right grades on time, and traders bid aggressively for nearby supply. The system does not fail because oil disappears, it fails because the circulation network no longer has enough working volume*."

On their analysis, OECD commercial stocks could fall to operational floor levels by September if the Strait of Hormuz remains closed, assuming demand destruction stabilizes at 5.5m b/day (the rate seen in May 2026).

The IEA has also been very clear on the threat from minimum operating levels, with Director Fatih Birol saying "*this may be difficult and we may be entering the red zone* [for inventories] *in July, August, if we don't see that there are some improvements in the situation*."

We know that the critical 'operating minimum' levels will vary by country and by product type and, should the disruption continue, we would expect to hear of operational issues in the coming weeks and months. Assuming continued disruption through the Strait, we would expect oil and oil product prices to rise sharply in order to choke off more demand and maintain system flexibility.

How long will it take for production to recover and for 'everything to return to normal'?

In our Managers' Comments last month, we stated the case for a slower-than-expected restart to production. Once the Strait is opened, a series of logistics, storage, infrastructure and reservoir-related issues will need to be resolved before any form of normality can be achieved. We break them down broadly as follows:

1. **Confidence.** Shipowners and crude shippers will need to be confident that the Strait is a genuinely safe place to operate. While a ceasefire and agreement to open the Strait goes a long way towards achieving this, it does not necessarily provide the confidence required. The passage of time, the safe passage of vessels and positive political momentum will be needed. In practical terms, a safe – mine free – route through the strait needs to be delivered, and this could easily take weeks and months to achieve.

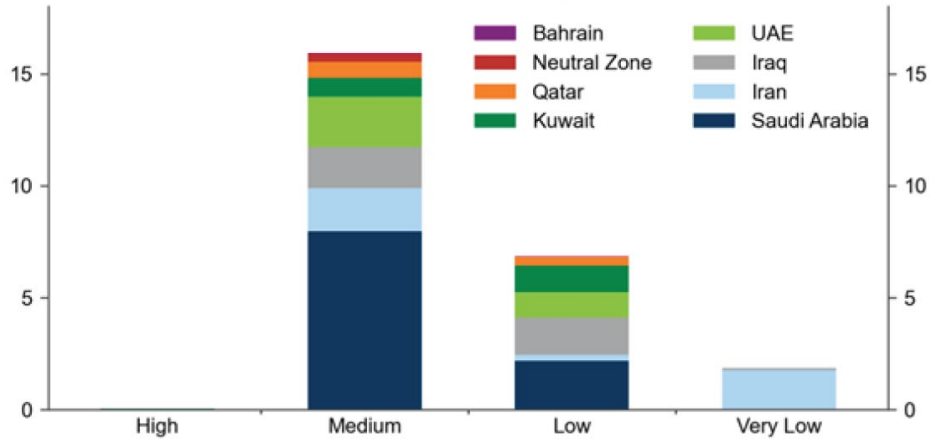
2. **Tanker logistics.** Tankers are now in the wrong places as many empty tankers have transited from outside the Gulf to West Africa or the United States to pick up other cargo rather than sitting idle outside the Strait. Getting tankers back into the right places will also take a number of weeks and, on its 1Q26 earnings call, Saudi Aramco's CEO called this "*the biggest issue*", adding that *"even in the most optimistic scenario, the energy and commodity supply chains will need several months to return to their pre-conflict traffic, as vessels reroute or avoid being idle*".

3. **Storage in the Gulf.** Onshore and floating storage of oil and oil products within the Gulf is broadly speaking at full capacity. Once empty tankers arrive, this oil can be offloaded and shipped to market, thus starting to allow the onshore oil production and refinery facilities to contemplate restarting. Nothing can happen at the production facilities upstream of these storage facilities until spare storage capacity is built.

4. **Field restarts.** Many shut-in oil fields will have to be restarted very carefully, even when storage is available. With many fields now static, reservoir pressures and wellbore temperatures will have fallen, allowing wax and asphaltenes to build up and plug production tubing. These effects and other equipment-related issues will be overcome with time and money, but recovery is likely to be uneven across fields and countries. The duration of the recovery is a difficult one to predict with certainty. We note that Rystad Energy estimates roughly 10,000 of the c.36,000 wells that were active before the closure across the six Gulf producers are currently offline. The number of wells which struggle to return scales with shut-in duration, it argues: about 2,800 wells face restart constraints after a two-month shut-in, 4,100 after four months and more than 5,000 after six months. We are already close to the four-month shut-in period.

5. **Infrastructure damage.** We understand that physical infrastructure damage is mostly related to downstream facilities such as refineries, export/storage terminals and LNG facilities. These can also be resolved with time and money. As with vessels passing through the Strait, we imagine that downstream operators will want to see high levels of confidence before starting the rebuilding process, so near-term processing volumes will be constrained.

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



Source: Rystad Energy, April 2026

Putting all this together, we do not expect the oil export system in the Gulf to return to normality before the end of 2026. This is a view mirrored by a number of Middle East oil companies, most recently by Sultan Ahmed Al Jaber, CEO of ADNOC (Abu Dhabi National Oil Company): "*Even if this conflict ends tomorrow… full flows will not return before the first or even second quarter of 2027*". Saudi Aramco CEO Amin Nasser has said, *"If the Strait of Hormuz opens today, it will still take months for the market to rebalance, and if its opening is delayed by a few more weeks, then normalization will last into 2027*".

In fact, we do not expect that we will return to the previous 'normal' for a significant period. A combination of longer-term reservoir damage, delayed infrastructure restarts and potentially restricted flow through the Strait itself means that the Gulf's oil export system is unlikely to be considered as safe and reliable as it was. On the other hand, alternative export routes (e.g. pipelines) will be explored, albeit with high cost and complexity. When we look back on this conflict in the future, it seems likely that it will have redrawn the Gulf energy system very significantly, affecting supply and supply egress from the region in both positive and negative ways.

Is there still an opportunity in energy equities, or is all of this already priced in?

Past performance does not predict future returns.

We think that the value opportunity in energy equities that we saw at the start of 2026 still persists, despite the Guinness Global Energy Fund returning 30% year-to-date (in USD). Since the start of the conflict, we find it surprising that energy equities have underperformed world equities (the MSCI World Energy Index underperforming the MSCI World Index) and that the share prices of some major oil and gas companies, for example, Exxon and Chevron, are down in absolute terms.

At the start of 2026, we calculated that energy equity valuations reflected a long-term Brent oil price of around $67/bl. As a result of the conflict, we increased our 2026 and 2027 Brent oil price estimates to $90/bl and $80/bl respectively and this increase (run through our discounted cash flow models) explains about half of the fund's 30% return this year. The other half of the fund's return is therefore reflected in a higher long-term oil price being implied, which we estimate has risen from around $67/bl to around $73/bl Brent.

We believe that $73/bl is a conservative long-term oil price estimate and, as we have long argued, we think that $80/bl Brent is a more realistic forecast. Should energy equities reflect $80/bl Brent in their valuation, we see 20% further upside.

PERFORMANCE

The main index of oil and gas equities, the MSCI World Energy Index (net return), fell by 5.8% in May, while the broader equity market, as measured by the MSCI World Index (net return), rose by 4.6% in USD.

Within the Fund, the strongest performers were OMV, Enbridge, Repsol, Valero and Schlumberger while the weakest performers were BP, Devon, Helix, Imperial Oil and Petrochina.

Past performance does not predict future returns.

Guinness Global Energy Fund
Performance (in USD) as at 31.05.2026

Cumulative returns (%)	YTD	1 year	3 years ann.	5 years ann.	Launch of strategy* ann. (31.12.98)
Guinness Global Energy Fund	30.0	52.7	20.1	17.6	9.1
MSCI World Energy NR Index	26.3	43.6	18.6	19.1	7.2

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 31.05.2026

Cumulative returns (%)	YTD	1 year	3 years ann.	5 years ann.
WS Guinness Global Energy Fund	29.6	51.9	16.3	19.2
MSCI World Energy NR Index	26.0	43.7	15.4	20.4

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 **May 31 2026.**

Asset allocation as %NAV	Current	*Change*	Last year end	Previous year ends								
	May-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	**98.3%**	***1.3%***	***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	53.6%	*0.9%*	*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	18.6%	*0.5%*	*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	9.9%	*1.0%*	*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	10.6%	*-0.7%*	*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	1.7%	*-1.3%*	*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 May 2026 was on a price to earnings (PE) ratio for 2025/2026 of 17.8x/10.4x versus the MSCI World Index at 20.6x/18.2x as set out in the following table:

As at 31 May 2026	PE			EV/EBITDA			Dividend Yield	
	2024	2025E	2026E	2024	2025E	2026E	2025E	2026E
Guinness Global Energy Fund	15.3x	17.8x	10.4x	7.2x	5.4x	5.9x	3.5%	3.6%
MSCI World Index	27.1x	20.6x	18.2x	16.3x	15.2x	12.7x	1.6%	1.7%
Fund Premium/(Discount)	*-43%*	*-14%*	*-43%*	*-56%*	*-64%*	*-54%*		

Source: Bloomberg; Guinness Global Investors

Portfolio holdings

Our integrated and similar stock exposure (c.54%) 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 31 May 2026, the median PE ratio of this group was 8.3x 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 10% 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 April 30 2026 (for compliance reasons disclosed one month in arrears)

Guinness Global Energy Fund (30 April 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	5.2%	19.8x	22.1x	15.0x	10.5x	7.7x	8.0x	2.5x	2.4x	2.3x
Chevron Corp	US1667641005	4.7%	23.1x	31.1x	14.9x	11.5x	6.9x	7.4x	2.2x	2.1x	2.1x
Shell PLC	GB00BP6MXD84	4.4%	11.9x	15.0x	9.6x	4.9x	4.5x	4.9x	1.5x	1.4x	1.3x
Total SA	FR0000120271	4.8%	11.7x	12.2x	9.2x	5.8x	4.8x	5.4x	2.0x	1.6x	1.5x
BP PLC	GB0007980591	4.9%	17.2x	25.5x	9.1x	5.9x	4.0x	4.6x	2.1x	2.0x	1.7x
Equinor ASA	NO0010096985	3.2%	13.1x	16.4x	8.5x	2.7x	2.1x	2.6x	2.6x	2.1x	1.9x
ENI SpA	IT0003132476	3.4%	17.4x	18.1x	9.6x	5.8x	4.6x	5.0x	1.6x	1.4x	1.4x
Repsol SA	ES0173516115	3.5%	12.5x	14.3x	6.4x	6.8x	4.5x	4.8x	1.2x	0.9x	0.8x
Galp Energia SGPS SA	PTGAL0AM0009	3.0%	15.0x	13.2x	10.8x	5.4x	4.3x	4.7x	3.6x	2.8x	2.5x
OMV AG	AT0000743059	3.1%	8.6x	25.9x	8.1x	4.4x	3.8x	4.2x	1.4x	1.2x	1.1x
		40.2%									
Integrated / Oil & Gas E&P - Canada											
Suncor Energy Inc	CA8672241079	4.1%	19.1x	19.8x	11.0x	5.8x	5.5x	6.6x	2.8x	2.3x	2.2x
Canadian Natural Resources Ltd	CA1363851017	4.0%	23.0x	19.5x	11.9x	9.6x	6.6x	7.3x	3.7x	2.8x	2.7x
Cenovus Energy Inc	CA15135U1093	3.8%	23.7x	18.4x	9.6x	8.8x	5.4x	6.3x	2.6x	2.1x	2.1x
Imperial Oil Ltd	CA4530384086	3.7%	20.4x	28.7x	13.4x	11.2x	8.4x	10.2x	4.1x	3.7x	3.5x
		15.6%									
Integrated Oil & Gas - Emerging market											
PetroChina Co Ltd	CNE1000003W8	2.9%	11.1x	12.0x	10.0x	5.5x	5.1x	5.2x	1.4x	1.2x	1.1x
		2.9%									
Oil & Gas E&P											
ConocoPhillips	US20825C1045	4.4%	16.2x	20.4x	13.7x	7.4x	5.6x	5.8x	2.5x	2.3x	2.2x
EOG Resources Inc	US26875P1012	3.5%	12.1x	13.7x	9.5x	6.3x	5.0x	5.5x	2.7x	2.3x	2.1x
Diamondback Energy Co	US25278X1090	3.7%	13.0x	14.2x	10.9x	10.5x	6.1x	6.6x	1.6x	1.3x	1.2x
Devon Energy Corp	US25179M1036	3.6%	10.7x	13.1x	9.4x	5.2x	3.4x	3.0x	2.3x	1.7x	1.2x
		15.2%									
Midstream											
Kinder Morgan Inc	US49456B1017	2.6%	27.8x	25.0x	23.5x	15.7x	12.1x	11.8x	2.4x	2.3x	2.2x
Enbridge Inc	CA29250N1050	2.5%	21.8x	26.0x	25.5x	18.5x	13.6x	12.9x	2.9x	3.0x	3.0x
TC Energy Corp	CA87807B1076	2.6%	23.9x	30.2x	25.0x	19.6x	14.6x	14.0x	4.0x	3.7x	3.7x
Williams Cos	US9694571004	2.8%	40.6x	35.0x	32.6x	22.0x	14.9x	13.5x	7.5x	7.0x	6.6x
		10.5%									
Equipment & Services											
Schlumberger Ltd	AN8068571086	3.2%	15.4x	19.6x	21.4x	8.8x	11.5x	10.0x	3.8x	3.2x	3.0x
Baker Hughes a GE Co	US05722G1004	2.8%	30.5x	26.8x	29.2x	14.7x	14.8x	12.7x	4.1x	3.3x	3.2x
Halliburton Co	US4062161017	3.4%	14.6x	17.2x	18.1x	7.7x	10.2x	9.0x	3.5x	3.1x	2.8x
Helix Energy Solutions Group Inc	US42330P1075	0.7%	22.1x	34.0x	37.2x	4.2x	6.5x	5.3x	1.0x	1.0x	0.9x
		10.1%									
Oil & Gas Refining & Marketing											
China Petroleum & Chemical Corp	CNE1000002Q2	1.1%	10.2x	13.0x	10.7x	6.4x	6.0x	5.7x	0.6x	0.6x	0.6x
Valero Energy Corp	US91913Y1001	4.4%	29.4x	24.0x	10.6x	12.0x	6.5x	8.3x	3.2x	3.0x	2.8x
		5.6%									
Cash	**Cash**	**-0.1%**									

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***	***104.0***
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*	*72.7*
OPEC NGLs	*5.2*	*5.3*	*5.4*	*5.5*	*5.3*	*5.2*	*5.3*	*5.5*	*5.5*	*5.5*	*5.6*	*4.7*
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**	**77.4**
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**	**26.6**
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**	**26.1**

Source: Bloomberg; IEA; Guinness Global Investors, June 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 April 2026

('000 b/day)	31-Dec-19	31-Dec-25	30-Apr-26	Current vs Dec 2019	Current vs Dec 2025
Saudi	9,730	10,000	**7,340**	-2,390	-2,660
Iran	2,080	3,270	**3,050**	970	-220
Iraq	4,610	4,370	**1,640**	-2,970	-2,730
UAE*	3,040	3,590	**2,140**	-900	-1,450
Kuwait	2,710	2,560	**800**	-1,910	-1,760
Nigeria	1,820	1,520	**1,560**	-260	40
Venezuela	730	900	**1,190**	460	290
Libya	1,110	1,320	**1,320**	210	0
Algeria	1,010	970	**980**	-30	10
OPEC-9	**26,840**	**28,500**	**20,020**	**-6,820**	**-8,480**

*Source: Bloomberg; Guinness Global Investors, May 2026. *UAE = exiting OPEC*

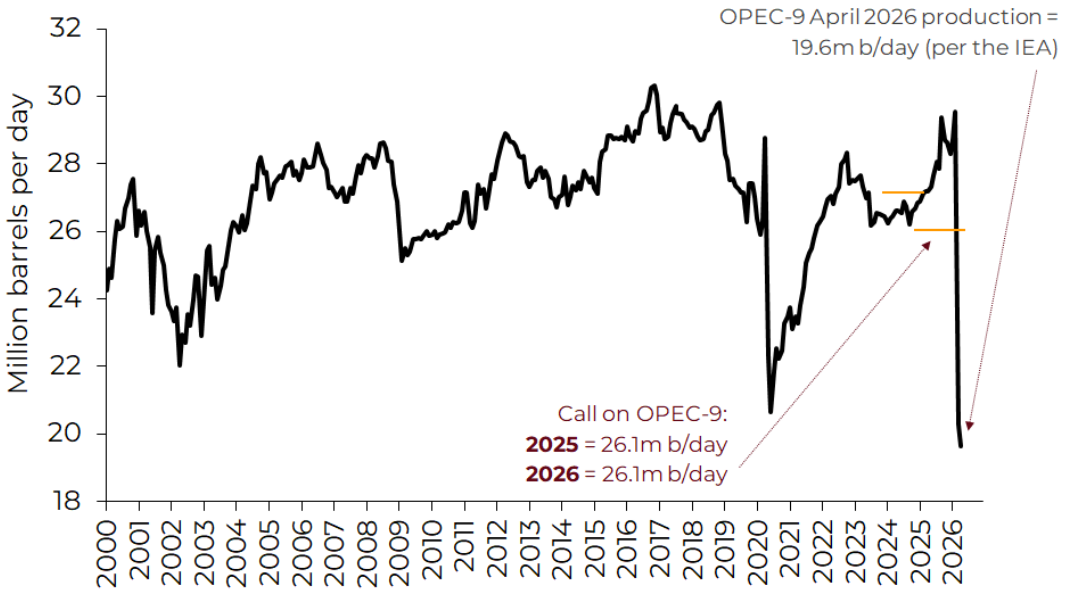
The 2017-19 period continued to be volatile for OPEC, with further production cuts necessary to balance ongoing non-OPEC supply growth.

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 (May 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.

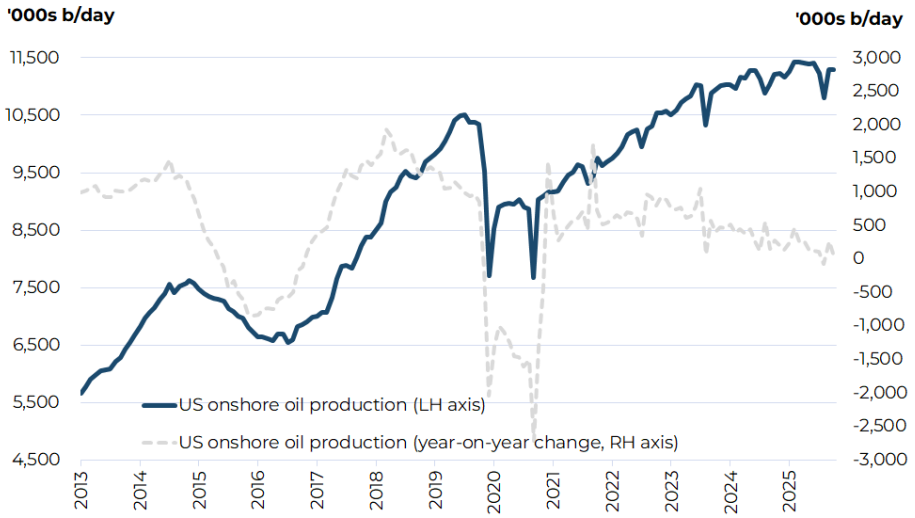
Nothing in the market in recent years has changed our view that OPEC can put a floor under the price – as they did in 2020, 2018, 2016, 2008, 2006, 2001 and 1998.

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, June 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 will be down by 0.4m b/day at 104.0m b/day, but still 3.3m 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 28% 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	65	85
Brent	75	73	99	63	80	111	112	109	99	54	45	55	72	64	43	71	99	83	81	69	90
Brent/WTI average	**75**	**73**	**99**	**62**	**80**	**103**	**103**	**103**	**96**	**51**	**44**	**53**	**68**	**61**	**41**	**70**	**97**	**80**	**78**	**67**	**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%	-14%	31%
Brent/WTI (5yr MAV)	51	59	72	75	78	83	89	90	97	91	80	70	63	55	53	58	67	70	73	78	82

Source: Guinness Global Investors estimates, Bloomberg, June 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, June 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, June 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.

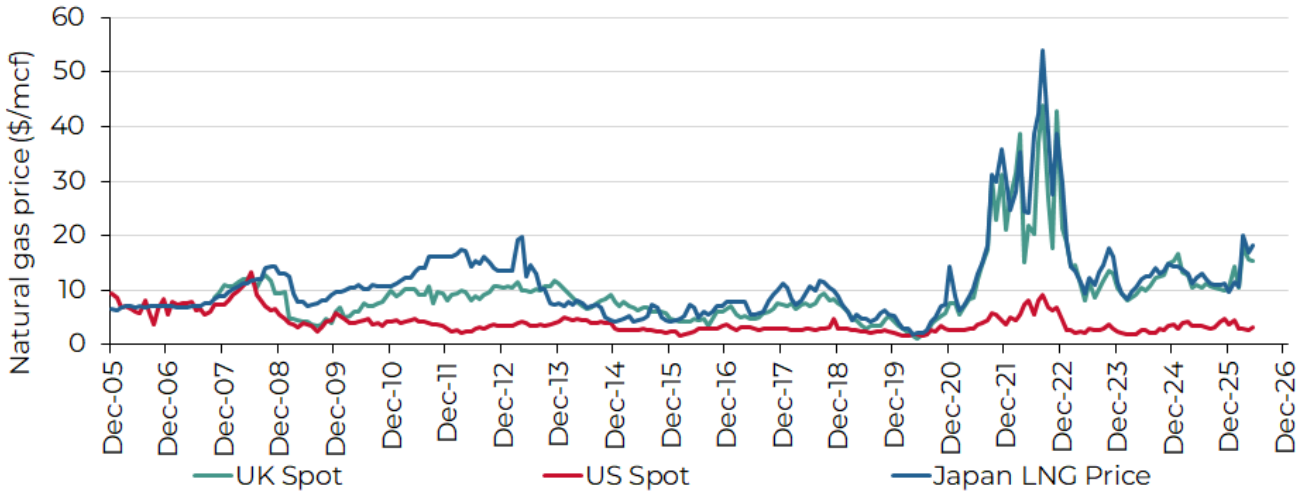
Associated gas production is expected to rise again in 2026 albeit at a slower pace (around 1 Bcf/day) than in 2022 (+5.5 Bcf/day) and 2023 (+3.6 Bcf/day). Lower supply growth is expected from onshore properties as weaker natural gas prices have brought a lower rig count and lower investment.

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. 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

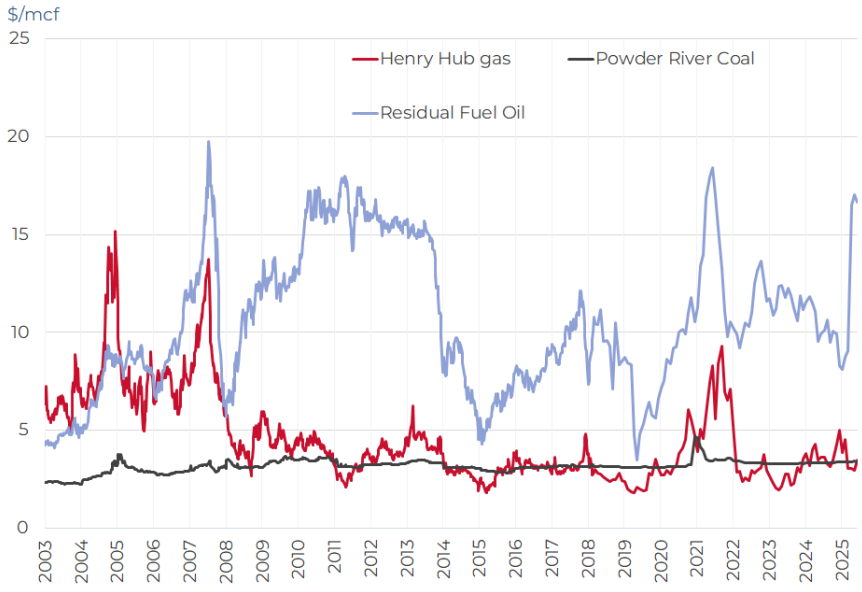


Source: Bloomberg; Guinness Global Investors, June 2026

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, June 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.

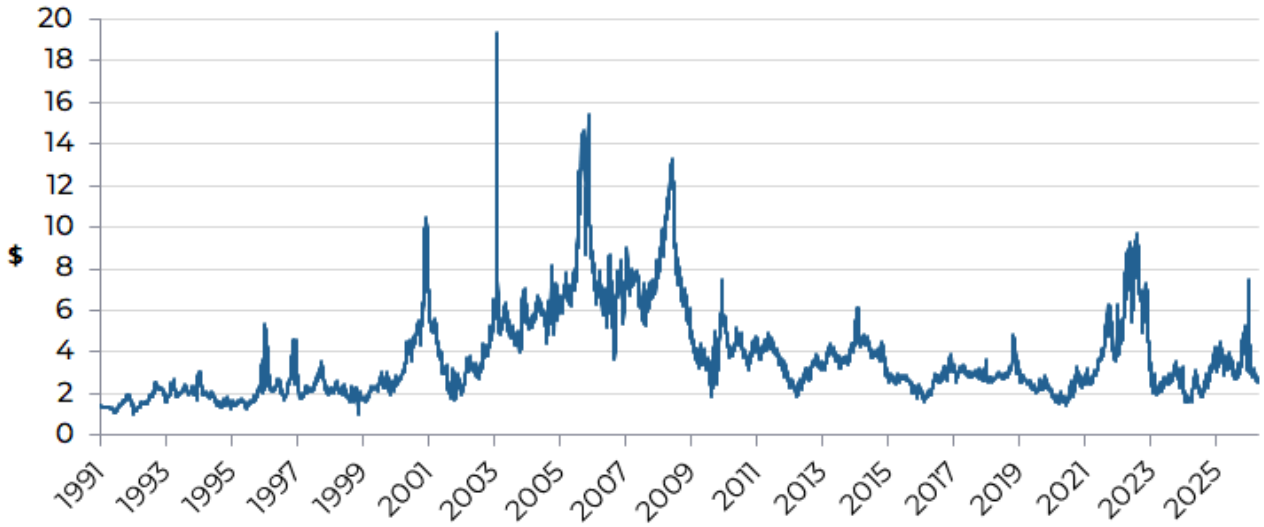
Continued expectations of a supply crunch by the end of the decade, coupled with increased speculative activity in oil markets, contributed to the oil price surging past $90 in the final months of 2007 and as high as $147 by the middle of 2008. This spike was brought to an abrupt end by the collapse 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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