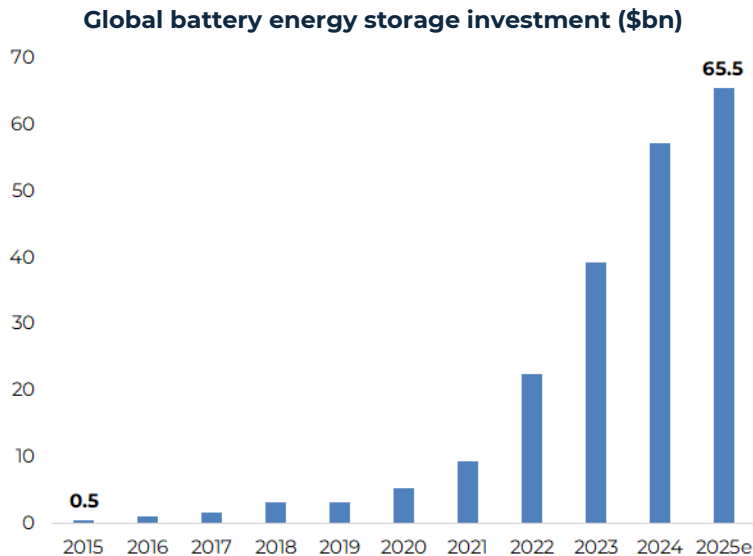


Chart of the Month: Global Battery Energy Storage Systems (BESS) Investment

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



Source: IEA, February 2026

| News | Sub-Sector | Impact |
|--|------------------------------|--------|
| <p>Global investment in the energy transition increased 8% year-on-year in 2025, according to Bloomberg New Energy Finance (BNEF). The largest investment drivers were electrified transport (\$893 billion), renewable energy (\$690 billion), and grid investment (\$483 billion), with all increasing except for renewable energy, which fell as a result of changing power market regulation in China. BNEF also report that clean energy supply investment outpaced fossil fuel supply for the second consecutive year, with the gap widening from \$85 billion to \$102 billion. China continues to be the largest market, investing \$800 billion in 2025, while Europe was the fastest growing region, with investment rising 18% in the year.</p> | Energy Transition Investment | ↗ |
| <p>The UK government is taking steps to extend the operating life of the Sizewell B nuclear power station by a further 20 years. EDF and Centrica, the plant’s operators, are seeking £800 million of investment to extend operations from 2035 to 2055. Sizewell B currently supplies around 3% of the UK’s electricity, and extending its lifespan would help bridge the anticipated supply gap before new generating capacity comes online after 2030. As the UK’s only pressurised-water reactor, Sizewell B is the only power station that has the capability to be extended for such a long period.</p> | Nuclear Generation | ↗ |

In January, the White House called on PJM, the largest US power grid operator, to hold an emergency capacity auction to prevent power shortages as electricity demand surges, largely due to the build out of AI data centers. The administration is pushing for measures such as price caps and requiring large power users to help fund new generation, while PJM considers changes such as requiring data centers to bring their own generation or face curtailment to manage reliability risks and rising costs ahead of expected new capacity coming online later in the decade.

US Power Demand



In December, fully electric car sales in the European Union surpassed petrol-only vehicle sales for the first time, marking a milestone in the region's shift toward electrification, even as policymakers have proposed easing emissions regulations. Data from the European Automobile Manufacturers' Association showed battery-electric registrations outpaced petrol, with overall car sales rising for a sixth consecutive month and reaching their highest levels in five years.

Electric Vehicle Adoption



In Australia, solar energy provided 30% of all electricity in the country's main grid, across day and night. During the day, solar was able to meet 59% of electricity demand, with more than half of this coming from small-scale systems spread across roughly 4 million roofs. As a result, coal has taken a more flexible, backup role in the system. Over the last three months of 2025, renewables accounted for more than 50% of electricity generation in Australia, supporting a 44% fall in wholesale electricity prices compared with the same period in 2024. Despite ongoing challenges in infrastructure and political resistance, the grid has handled extreme heatwave demand without major issues, marking a significant transition in Australia's energy mix.

Solar Generation



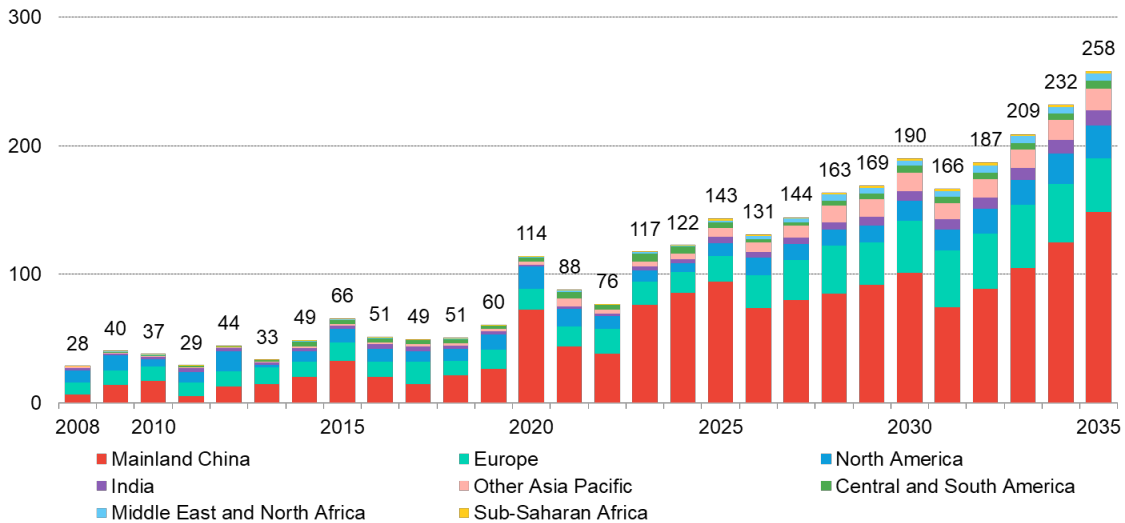
Manager’s Comments

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

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

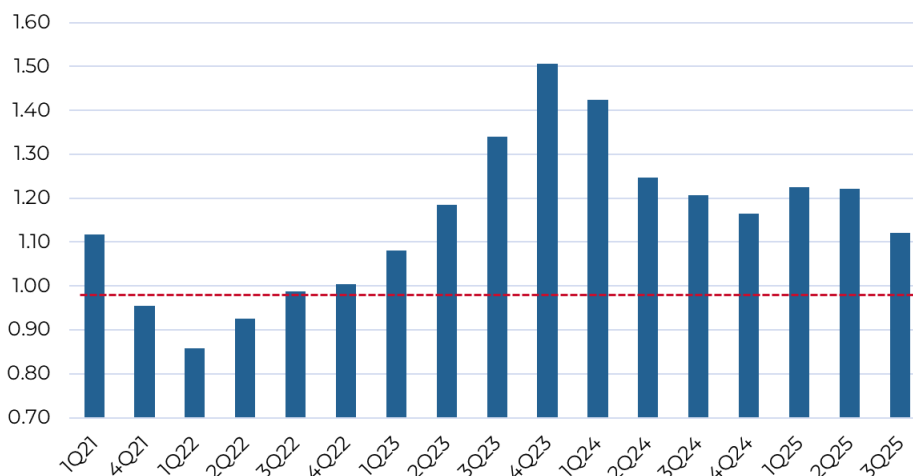
The global wind market looks to have grown around 17% in 2025, with installations reaching an all-time high of 143 GW. This was led by a reacceleration of **onshore wind** installations, with an anticipated record 130 GW of capacity added, representing 18% annual growth.

Global wind: annual installations GW



Source: BNEF, February 2026

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

**Trailing Twelve Months (TTM) Book to Bill for European Wind Turbine OEMs
(Original Equipment Manufacturer)**

Source: Guinness Atkinson, Bloomberg, February 2026

Developments in the wind market and the outlook for 2026

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

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

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

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

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

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

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

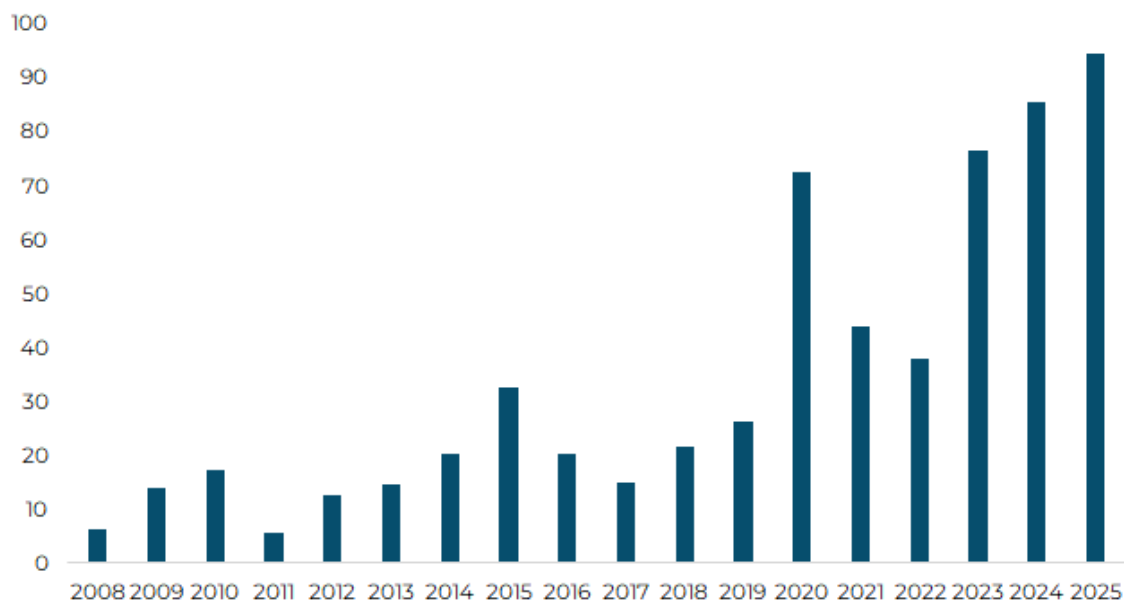
The Hamburg Declaration is notable for its emphasis on cross-border collaboration, shifting away from a model where offshore wind is planned and delivered on a country-by-country basis. Under the agreement, the proposed capacity is intended to deliver power across borders, with the aim of improving security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

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

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

While China’s share of global installations remains substantial, the introduction of a market-based power regime has led to uncertainty about the outlook for the region’s growth. Under the new regime, feed-in tariffs have been replaced with liberalized market trading, meaning that renewables are competing head on with fossil fuels. With this will likely introduce short-term headwinds and lower expectations for installations in the coming years, we are encouraged to see that Beijing has updated its capacity targets in its Declaration on Wind Energy 2.0. Under the new plan, China will aim to install no less than 120 GW of new capacity every year between 2026 and 2030, including 15 GW of offshore capacity. This would ensure that China’s cumulative wind power capacity reaches 1,300 GW by 2030, 2,000 GW by 2035 and puts them on track to achieve Beijing’s longer-term target of installing 5,000 GW of wind capacity by 2060.

China Wind installations 2008-2025 (GW)



Source: BNEF, February 2026

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

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

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

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

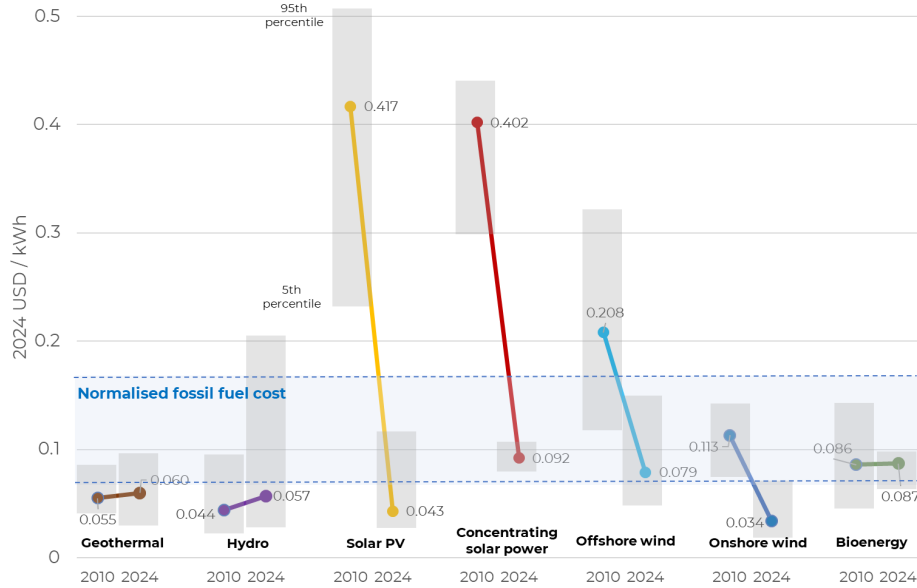
In this context, the outlook for onshore wind remains constructive. Installations are estimated to have increased by around 25% in 2025 to approximately 7 GW, with growth expected to average close to 9% per annum over the next decade as US power demand inflects structurally higher. Given its competitive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

Outlook for 2026

Looking ahead to 2026, the outlook for global wind demand will depend upon how China adjusts to its new market-based power regime. As mentioned earlier, the country has replaced fixed feed-in tariffs with liberalized market trading, potentially introducing short-term headwinds for wind developers. However, with Beijing announcing new targets of no less than 120 GW on capacity additions a year, we take confidence that China will continue to expand its domestic industry as its electricity demand continues to grow. Outside of China, the global wind market is increasingly diversifying with strong contributions from India, Europe and parts of Southeast Asia expected in 2026. The offshore market is set for a step up in 2026, with project completions due across a range of markets such as the UK, Vietnam and France.

In the longer term, we continue to believe that wind will increase its share of the global electricity mix, underpinned by favorable economics and improvements in technology. Research from the International Renewable Energy Agency (IRENA) in 2025 demonstrates that both onshore and offshore wind generation are among the cheapest forms of new electricity in most situations. With an estimated Levelized Cost of Electricity (LCOE) ranging between \$0.03-0.08/kWh, new wind generation from projects commissioned in 2024 are now competitive with the cheapest fossil fuel generation, which also produces power at \$0.08/kWh. Pleasingly, LCOE's for wind have remained broadly flat versus 2024 data, as the impact of higher interest rates, plus the 2022/23 inflation cycle were offset by greater economies of scale. Conversely, with inflation in gas turbine prices, we would expect estimates for the cheapest new fossil fuel generation to trend upwards in the coming years.

Global LCOE of newly commissioned utility-scale renewable power generation technologies (2010-2024)



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

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

Conclusion

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

Performance

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

Stock by Stock performance over the month, in USD



Source: Bloomberg. As of January 31st 2026

Total Returns (Net of Fees)

| As of 1/31/2026 | YTD | 1 Year | 3 Years | 5 Years | 10 Years |
|----------------------------|-------|--------|---------|---------|----------|
| GAAEX | 6.14% | 34.97% | 1.62% | 1.03% | 10.02% |
| MSCI World Index NR | 2.24% | 19.58% | 19.29% | 12.86% | 13.10% |

| As of 12/31/2025 | YTD | 1 Year | 3 Years | 5 Years | 10 Years |
|----------------------------|--------|--------|---------|---------|----------|
| GAAEX | 26.65% | 26.65% | 2.91% | 0.63% | 7.78% |
| MSCI World Index NR | 21.09% | 21.09% | 21.14% | 21.14% | 12.16% |

All returns after 1 year annualized.

Inception 03.31.2006 Expense ratio*1.10% (net); 1.76% (gross)

Performance data quoted represents past performance; past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance of the Fund may be lower or higher than the performance quoted. Performance data current to the most recent month end may be obtained by visiting www.gafunds.com or calling 800-915-6566.

*The Advisor has contractually agreed to reduce its fees and/or pay Fund expenses (excluding Acquired Fund Fees and Expenses, interest, taxes, dividends on short positions and extraordinary expenses) in order to limit the Fund's Total Annual Operating Expenses to 1.10% through June 30, 2028. To the extent that the Advisor absorbs expenses to satisfy this cap, it may recoup a portion or all of such amounts absorbed at any time within three fiscal years after the fiscal year in which such amounts were waived or absorbed, subject to the expense cap in place at the time recoupment is sought, which cannot exceed the expense cap at the time of the waiver. The expense limitation agreement may be terminated by the Board of the Fund at any time without penalty upon 60 days' notice.

Top 10 Fund Holdings as of 1/31/26:

| | |
|----------------------------|-------|
| 1. Iberdrola SA | 4.79% |
| 2. Amphenol Corp | 4.61% |
| 3. Hubbell Inc | 4.45% |
| 4. Nextera Energy Inc | 4.45% |
| 5. Siemens AG | 4.40% |
| 6. Legrand SA | 4.39% |
| 7. Schneider Electric SE | 4.22% |
| 8. Prysmian SpA | 4.13% |
| 9. Eaton Corp PLC | 4.08% |
| 10. Trane Technologies PLC | 4.02% |

MSCI World Index captures large and mid cap representation across 23 Developed Markets countries. With 1,546 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.

The MSCI World Index (Net Return) measures the performance of large and mid-sized companies across 23 Developed Markets countries. It reflects both share price movements and dividends, with dividends reinvested after accounting for local withholding taxes.

Capital expenditure (capex) are funds used by a company to acquire, upgrade, and maintain physical assets such as property, plants, buildings, technology, or equipment.

The book-to-bill ratio is a key metric that compares orders received to units shipped and billed, often used in the technology sector, particularly for semiconductors. This ratio indicates market demand strength—values above 1 suggest high demand, while values below 1 may reflect weaker demand.

Fund holdings and/or sector allocations are subject to change at any time and are not recommendations to buy or sell any security.

One cannot invest directly in an index.

Earnings Growth is not a measure of future performance.

Opinions expressed are subject to change, are not guaranteed and should not be considered investment advice.

The Guinness Atkinson Alternative Energy Fund's investment objectives, risks, charges and expenses must be considered carefully before investing. The statutory and summary prospectuses contain this and other important information and can be obtained by calling 800- 915-6565 or visiting www.gafunds.com. Read and consider it carefully before investing.

The Fund invests in foreign securities which will involve greater volatility and political, economic and currency risks and difference in accounting methods. The risks are greater for investments in emerging markets. The Fund also invests in smaller and mid-cap companies, which will involve additional risks such as limited liquidity and greater volatility than larger companies. The Fund's focus on the energy sector to the exclusion of other sectors exposes the Fund to greater market risk and potential monetary losses than if the Fund's assets were diversified among various sectors.

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