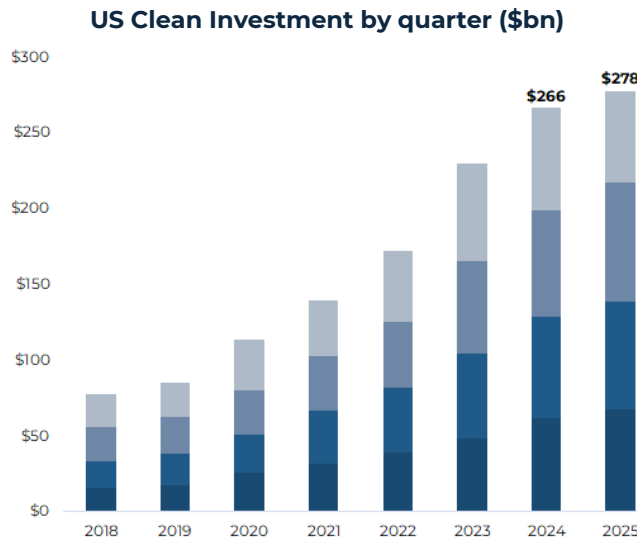


## Chart of the Month: Global Renewable Investment

Clean energy investment in the US reached a record \$278bn in 2025, representing a 5% increase on the prior year and underscoring continued capital deployment into the energy transition. Retail investment accounted for nearly half of total spend, followed by Energy & Industry and Manufacturing, highlighting the breadth of activity across both end-markets and supply chains.



Source: Clean Investment Monitor, February 2026

## News

In February, geothermal developer and portfolio holding Ormat signed a 150 MW power purchase agreement (PPA) with NV Energy to supply Google's Nevada data center operations. The agreement will allow Ormat to develop new geothermal capacity which will come online between 2028 and 2030. This follows a similar 13MW geothermal PPA the company signed in January with Switch, sourcing power from Ormat's Salt Wells facility. Together, the contracts underline the accelerating demand for new geothermal capacity as hyperscale operators seek reliable, carbon-free baseload power to support structurally rising electricity consumption from data centers.

Geothermal Power

The largest hyperscalers are reportedly planning to spend approximately \$660bn on AI-related capex in 2026, representing a 60% increase on 2025's \$410bn and a 165% rise from the \$245bn deployed in 2024. The scale and acceleration of this investment underlines both the competitive intensity of the AI arms race and the vast infrastructure still required to train and run next-generation models. Crucially, this build-out carries significant implications for future electricity demand, reinforcing the structural case for expanded generation capacity, particularly reliable, low-carbon and dispatchable power, to support the energy needs of an increasingly AI-driven economy.

AI Capital Expenditure (CapEx)

French nuclear operator EDF has announced a further delay to the UK's flagship Hinkley Point C project, with first power from reactor one now expected in 2030 and a €1.8bn charge taken as a result. This marks another one-year slippage from the prior 2029 "best case" target, itself already materially behind the original timetable. The continued overruns highlight the execution risk and capital intensity inherent in scaling large-scale nuclear, even as policymakers increasingly look to the technology as a low-carbon solution to structurally rising electricity demand.

Nuclear Power

Structurally rising power demand in the US continues to drive mergers and acquisition (M&A) activity across the sustainable energy and utility space. A consortium led by Global Infrastructure Partners and Swedish private equity firm EQT has agreed to acquire AES Corporation in a \$33.4bn transaction including debt. The deal follows a series of sizeable transactions in the sector, including Blackstone's \$11.5bn acquisition of TXNM Energy and Constellation Energy's \$16.4bn purchase of Calpine, underscoring intensifying competition for generation and power infrastructure assets.

Sustainable Energy M&A

Grid operator PJM Interconnection has agreed to extend a price cap on its capacity auctions for an additional two years following legal pressure from the Governor of Pennsylvania, who said the move will help shield consumers from sharply rising auction costs. The extension is expected to save millions of electricity customers billions in capacity costs across PJM's 13-state footprint and comes as the operator explores a backstop auction mechanism to address surging power demand, particularly from data centers and other large users.

US power demand

**Manager's Comments**

**Data Centers and US Electricity Demand**

**The International Energy Agency (IEA) recently published their Electricity Outlook for 2026. The IEA's analysis supports an increasingly strong outlook for global electricity demand. Data centers, the electrification of buildings and the onshoring of manufacturing is driving an inflection in**

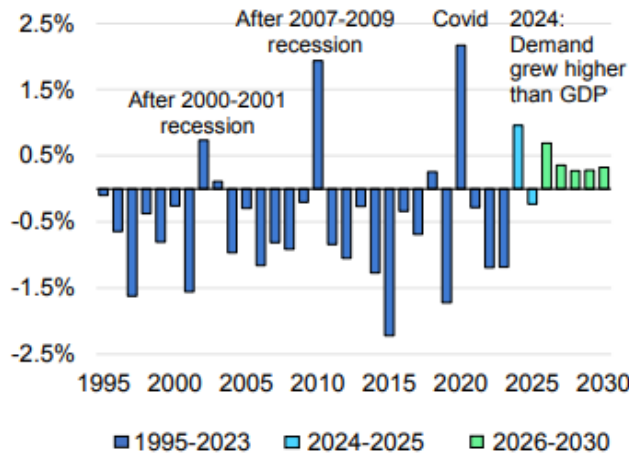
**developed markets power demand. We see the secular trend of electrification as a theme that will run at least into the 2040s.**

Having grown at 2.8% annually over the past decade, the global pace of electrification to 2030 is expected to pick up to an annual growth rate of 3.6%. The previous decade saw on average 700TWh of consumption added annually which is expected to rise to 1100TWh over the next five years meaning we will see addition of on average 50% more electricity demand per year. As a result, electricity consumption is now projected to grow at least 2.5 times faster than overall energy demand, hastening the world’s transition to an electricity-based economy. The IEA therefore identifies not only a significant increase in global electricity demand, but a structural shift in what is driving it.

**Inflection Point**

With the uptick in advanced economies’ electricity consumption, we have seen an inflection point in demand growth and GDP (gross domestic product). Global electricity demand outpaced GDP growth in 2024, the first time this has occurred in the last 30 years (aside from economic crises). This inflection supports our investment case and is one the IEA expects to continue to 2030 and beyond.

**Difference between GDP and electricity demand growth rates, 1995-2030E**



Source: IEA estimates, February 2026

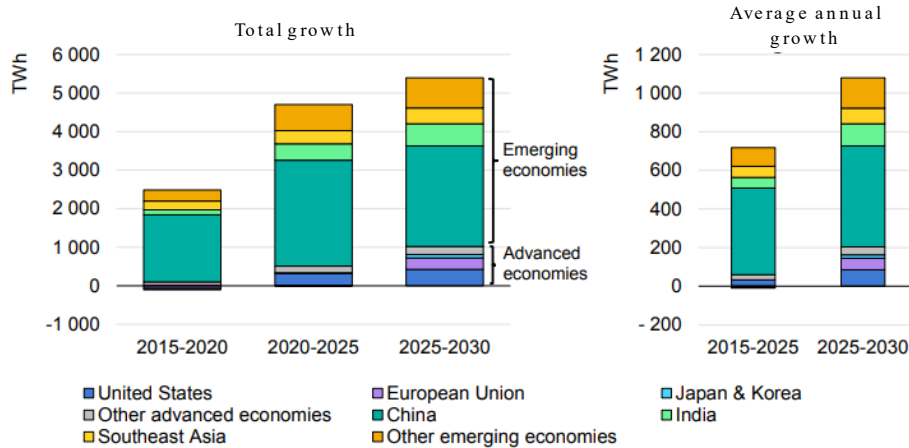
**Regional divides: developed economies**

The structural inflection in developed economies is driven by three reinforcing forces: policy, improving technology economics, and the reshoring of industry. As grids decarbonize, the cost of heat pumps, electric vehicles and renewable generation continues to fall. Electrification has therefore become an increasingly rational choice for western consumers and businesses alike. Layering on top of this, geopolitical protectionism has accelerated the return of manufacturing to Europe and North America, adding a further source of demand growth that is less dependent on any single policy cycle. The impact of data centers is widely debated, but they, play only one part in the broader structural shift. The cumulative

effect being that western electricity networks, which spent the last fifteen years planning for flat or declining demand, must now absorb significant load growth.

Over the past 15 years, advanced nations have seen electricity demand growth remain essentially stagnant, as improvements in energy efficiency offset any GDP-led growth. Indeed, improvements in building efficiency allowed economic growth to continue while electricity demand fell. This dynamic was accompanied by underinvestment in aging

Global electricity demand growth by region, 2015-2030E

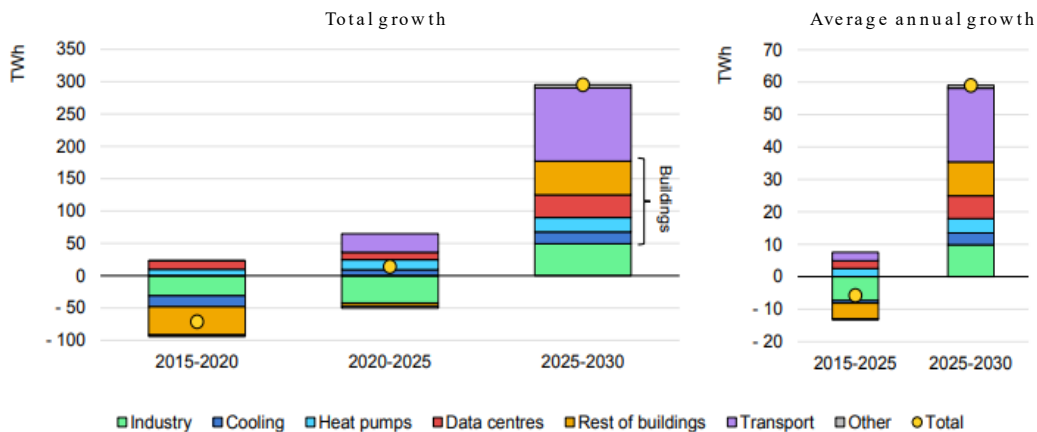


Source: IEA estimates, February 2026

grid infrastructure, an oversight now having to be addressed as power demand from EV adoption, electric heating and cooling, and data center investment starts to pick up.

In Europe, after a substantial decline in 2022/23 (post the Russian invasion of Ukraine), and lackluster recovery in 2024/25, total electricity demand growth is forecast to average 2.3% annually through 2026-2030. Increased electrification of industry, buildings and transportation drive the demand rebound. Europe leads developed economies in their EV adoption, with increased vehicle charging demand expected to contribute more than a third of EU electricity demand

Electricity demand growth by sector and end-use in the European Union, 2015-2030



Source: IEA estimates, February 2026

through 2030, making transport the second-largest contributor to EU demand growth after buildings (including data centers).

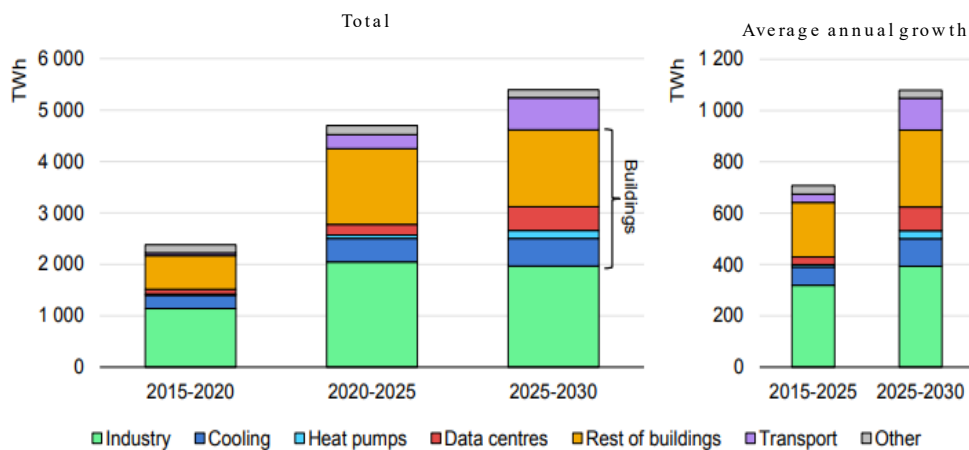
The US has seen electricity demand growth in recent years remain higher than the EU. In particular, a self-sufficiency in natural gas allowed the US to avoid the worst of the power price spikes in 2022/23. Looking ahead, the US's expanding industrial base and greater focus on construction means the US's expected demand growth is 40% larger in absolute terms than the EU's. Policy clarity since the One Big Beautiful Bill Act was signed in July 2025, (President Trump's modifications to the US's energy transition policy and incentivization of industrialization) provides an opportunity to unlock vast US development. Eaton Corporation highlighted that since 2021, investment of over \$1.8 trillion across 600-plus 'mega' projects has been announced, yet only around 15% of these projects are underway. This leaves an enormous pipeline of latent electricity demand yet to materialize on the grid. The backlog alone is roughly ten times the amount that the US typically spends on annual manufacturing construction projects. As the policy overhang around trade, permitting, and domestic manufacturing incentives is removed, we expect this backlog to accelerate into construction, driving U.S. industrial power consumption growth up to 2-3% annually through 2035.

**Regional divides: developing economies**

While buildings, EVs and data centre expansion are driving fast growth in advanced economies, it is important to note that AI is not the dominant driver of global electricity demand. Indeed, it remains a relatively small proportion of the overall picture. Emerging economies account for nearly 80% of additional electricity consumption through 2030, and the forces at work there are broader and more structural in nature.

The single largest driver of electrification globally is the buildings sector, which accounts for nearly half of the increase in electricity demand through 2030. In the developing world, this is most visibly expressed through space cooling. Rising temperatures and increasingly severe heatwaves are creating surging demand for air conditioning (AC) across India and Southeast Asia; markets where AC ownership remains relatively low but is growing rapidly. In India, where cooling has historically accounted for around 15% of nationwide electricity demand during peak summer months, the IEA expects growth of 6.4% annually through 2030. Indian demand growth slowed to 1.4% in 2025 following milder weather but a sharp rebound of 6.9% is projected for 2026, illustrating just how weather-sensitive and volatile this demand can be. Southeast Asia, forecast to grow at 5.3% annually through 2030, is

**Global electricity demand growth by sector and end-use, 2015-2030E**

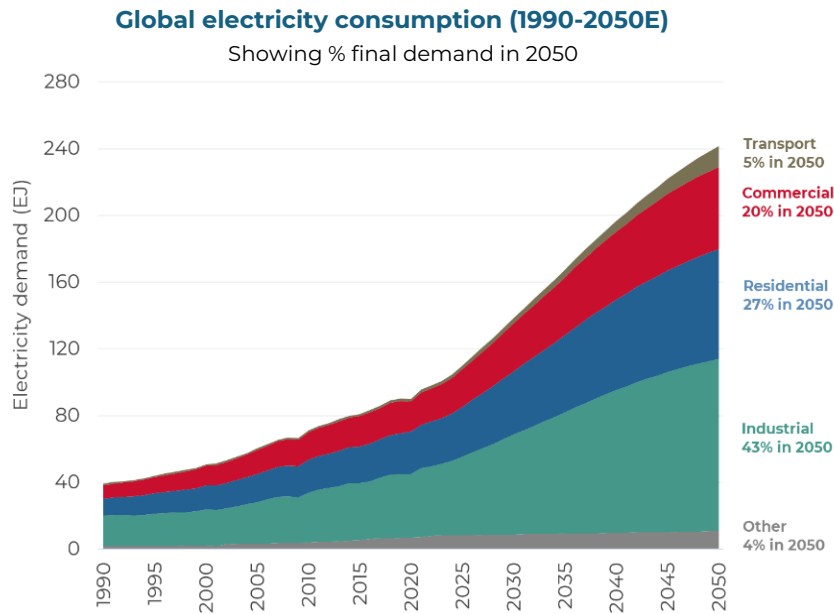


Source: IEA estimates, February 2026

seeing a similar pattern as rising incomes accelerate AC adoption across Indonesia, Vietnam, Malaysia and the Philippines.

Industry represents the second major pillar of growth. Emerging markets are transitioning away from the fossil fuel-based, energy-intensive heavy industries that dominated the previous decade, towards electrified or lighter, higher-value manufacturing. Across Southeast Asia, countries are attracting electronics assembly, semiconductor packaging and consumer goods production, activities that carry a smaller carbon footprint per unit of output but remain meaningfully electricity intensive. This shift mirrors the reindustrialization dynamic that is playing out in advanced economies, and in both, industry is increasingly an advocate for electrification.

Transportation represents the fastest-growing contributor in percentage terms, with its share of demand growth forecast to more than double to over 10% of total additional demand by 2030. EV adoption is accelerating across emerging markets and public charging infrastructure is being built out rapidly. In China for example, power demand from public EV charging stations rose nearly 50% in 2025, providing a tangible illustration of what this transition looks like at scale as it begins to ripple through the developing world.



Source: IEA, Guinness Atkinson estimates, January 2026

## Conclusion

Reviewing the IEA's outlook for electricity demand to the end of the decade, and two aspects are clear. Firstly, the world is at an inflection point, with the electrification of buildings, industry, and transportation driving global power demand to annual increases in the 3.5-4% range, higher than 2.5-3% range seen over the past fifteen years. Secondly, we are seeing developed market economies, especially the US, now joining the party after a long period of power demand stagnation. In the short-term, data centers are a significant driver of US demand growth, but longer-term, the US will be part of the broader electrification trend that is both structurally durable and increasingly insensitive to any single policy or economic cycle. Against this backdrop, we believe the investment case for companies in the electrification supply chain remains a compelling one.

## EQUITIES

The Guinness Atkinson Alternative Energy Fund delivered a return of +3.56% (in USD) in February, outperforming the MSCI World Index, which returned +0.73%. Among the Fund’s top contributors were US building materials companies Carlisle and Installed Building Products, both of which delivered robust fourth quarter results. In contrast, solar equipment manufacturers First Solar and Canadian Solar were among the weaker performers, with guidance from both companies disappointing the market.

## PERFORMANCE

As of 2/28/2026	YTD	1 Year	3 Years	5 Years	10 Years
<b>GAAEX</b>	9.92%	42.04%	4.28%	2.03%	10.57%
<b>MSCI World Index NR</b>	2.99%	21.33%	20.56%	12.46%	13.27%

As of 12/31/2025	YTD	1 Year	3 Years	5 Years	10 Years
<b>GAAEX</b>	26.65%	26.65%	2.91%	0.63%	7.78%
<b>MSCI World Index NR</b>	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](http://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 2/28/26:

1. Iberdrola SA	4.83%
2. Legrand SA	4.77%
3. Schneider Electric SE	4.59%
4. Nextera Energy Inc	4.53%

5. Amphenol Corp	4.46%
6. Hubbell Inc	4.46%
7. Trane Technologies PLC	4.22%
8. Eaton Corp PLC	4.17%
9. Siemens AG	4.05%
10. Prysmian SpA	4.01%

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

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 terawatt-hour (TWh) is equal to 1 trillion watt-hours.

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](http://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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