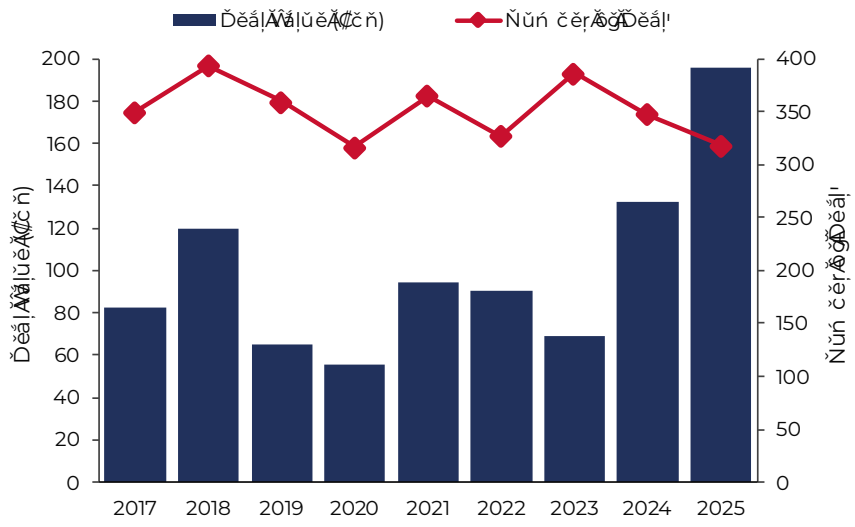
CHART OF THE MONTH: US Utility Sector M&A

Merger and acquisition (M&A) activity across the US utility and energy sector has accelerated sharply in recent years, driven by growing electricity demand and the build out of energy intensive AI data centers. While deal volumes have remained broadly stable, total deal value reached $196bn in 2025, up 48% vs 2024 & 137% versus the 2017-23 average.

Deals in the US Utility & Energy sector



Source: Guinness Atkinson, FT, Dealogic, May 2026

News

- SoftBank, Japan's largest company by market capitalization, has pledged to invest up to €75bn in a network of AI data centers in France. The initial €45bn tranche will fund 3.1 GW of capacity in the northern Hauts-de-France region, with a further 2 GW planned. For context, the IEA had projected data centers to contribute 12% (35 TWh) of incremental EU electricity demand growth between 2025 and 2030, equivalent to roughly 7 TWh of additional demand each year. The 3.1 GW initial build alone, would consume ~16–20 TWh annually once fully operational, more than half the IEA's entire EU data center growth estimate for the 5 year period.
- NextEra Energy, America's largest utility, announced a $67bn deal to acquire Dominion Energy, creating the world's largest utility by market capitalization. NextEra cites economies of scale, operational efficiency, and geographic diversification, picking up Dominion's footprint across Virginia and the Carolinas, with Virginia notably home to the world's largest data center market. The deal is set to be the 4th largest of all time, and the largest power and utility merger in history. NextEra's acquisition follows recent M&A in the sector, including BlackRock and EQT $33.3bn take-private of power plant operator AES and Constellation's ~$27bn takeover of rival Calpine. Consolidation reflects high conviction in the structural growth of US power markets with the highly capital-intensive backdrop providing a mechanism for utilities to grow.
- According to the China Passenger Car Association, new electric vehicles (NEV's) accounted for 52.7% of total passenger vehicle exports in April, the first-time electrified powertrains have superseded internal combustion engine powered cars as the majority of autos leaving the country. With a slowdown in the domestic market, Chinese manufacturers are increasingly looking abroad for growth with NEV exports reaching 406,000 units in

April, up 111.8% year-on-year. Although a threat to domestic suppliers, cost parity between EV's and ICE (internal combustion engine) is now level for large vehicles and narrowing for smaller and mid-sized vehicles.

- Growing solar installations require energy storage to mitigate against variability in power output. The U.S. set a Q1 record for storage deployment, up 32% compared to Q1 2025. There is now 175 GWh of energy storage capacity installed, a 177% increase since the end of 2023. Falling costs of battery energy storage systems (BESS), increased demand for reliable electricity, and federal and state policy incentives have driven the increase. Just over 48% of the storage on the grid US today is paired with solar. Success in increased battery penetration has been seen in Australia which has mandated the install of batteries alongside solar since 2023.
- The CEO of Tianqi Lithium, one of China's largest producers, set out a constructive case for long-term lithium demand, arguing that most forecasts understate the trajectory by assuming ~95% of incremental demand comes from EVs and BESS, and missing emerging sources including electrified trucks, mining equipment, ships, data centers and robotics. For context, the IEA's central forecast already sees demand tripling to 3.7 million tonnes LCE by 2035 (~12% compound annual growth rate).

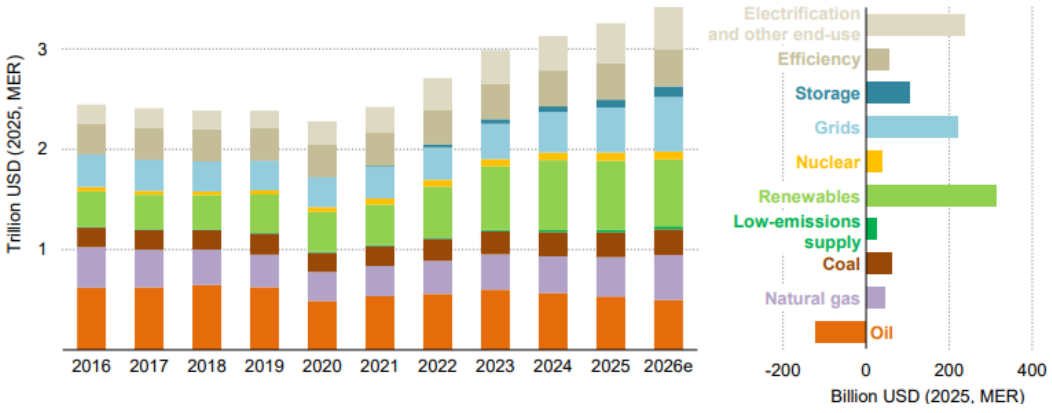
Manager's Comments

The International Energy Agency (IEA) recently released its annual World Energy Investment report, highlighting continued growth in global energy spending and an ongoing shift towards renewables and electrification. Recent disruption to energy markets has reinforced the importance of energy security, prompting greater investment in domestic generation, electricity networks, electrification and efficiency. While the geopolitical backdrop remains uncertain, the report's conclusions are broadly consistent with our longer-term outlook for the energy transition, characterized by increasing renewable penetration, rising electricity demand and continued improvements in energy efficiency.

Global energy investment continues to rise

The IEA expects investment into the energy sector to grow 5% year-on-year in 2026, reaching $3.4 trillion. This would mark the sixth consecutive year of growth following a period that saw investment fall 3% per year between 2015-2020. The majority of this investment, around $2.2 trillion, is expected to go towards the energy transition, funding renewables, storage, low-emission fuels, and efficiency and electrification. Despite the ongoing conflict in the Middle East, the IEA still expects meaningful investment into conventional energy, with the oil, natural gas, and coal industries expected to spend a further $1.2 trillion.

Global energy Investment, 2016-2026e



Source: IEA, May 2026

Electrification is driving global energy investment

The IEA's report highlights the growing importance of electricity within the global energy system. Electricity related investment now accounts for almost 60% of total energy spending and is expected to approach $2 trillion in 2026 across generation, grids and storage, and end use technologies. Electricity demand growth is accelerating, particularly in the advanced economies due to the growth of electric vehicles, heat pumps, cooling technologies, industry and recently, from data centers. However, the composition of that investment is changing. Increasingly, capital is being directed towards the infrastructure required to support a more electrified energy system.

Renewables continue to dominate power generation investment

Renewable energy remains at the center of global power sector investment, accounting for around 70% of generation spending according to the IEA. Annual investment now stands at approximately $665 billion, with solar attracting around $365 billion and wind a further $200 billion. While investment growth has moderated somewhat since 2024, this appears to reflect lower technology costs, particularly in solar, alongside policy changes in major markets such as China and the US. Natural gas is expected to see the largest step up in spending in 2026, reflecting rising power demand and increasingly tight power markets.

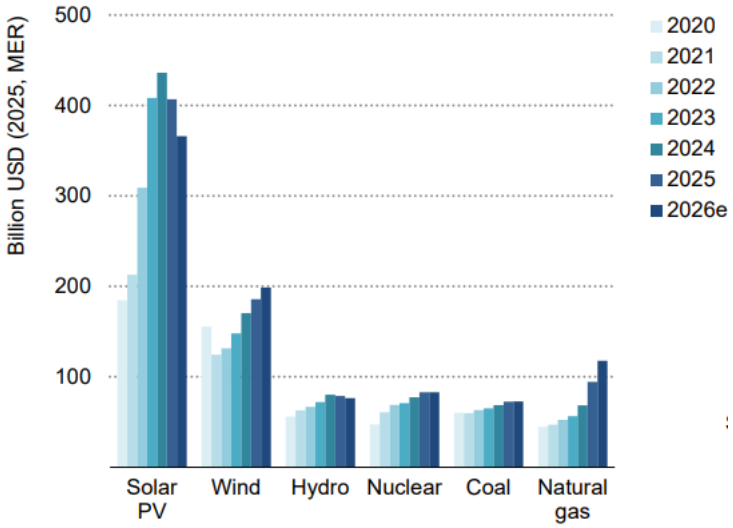
Solar: Investment remains the largest within the power sector at around $365 billion per year. While overall spending has slowed since 2024, the IEA attributes this largely to falling costs rather than weaker demand, suggesting deployment should continue to grow strongly.

Wind: Investment continues to grow and is likely reaching around $200 billion in 2026. Growth is tempered due to permitting, policy and project execution challenges in some markets.

Hydro: Investment is expected to remain around $75 billion per year, broadly in line with recent years, providing a stable source of low emissions generation and system flexibility.

Nuclear: Investment is expected to remain flat in 2026 at around $80bn, having grown steadily in recent years. China will likely continue to drive near-term growth, with approvals still running at around ten reactors per year. Looking further ahead, increasing policy support across the US, Europe and the UK should broaden the growth base and support a constructive long-term outlook for the global nuclear industry.

Global Investment into new generation ($ billion)



Source: IEA, May 2026

Looking forward, the IEA expects renewables to be a key beneficiary of the conflict in the Middle East. For many fuel importing countries, domestically generated electricity offers a means of reducing exposure to volatile fossil fuel markets while improving the resilience of the energy system. The report highlights signs that this process is already underway:

The **Philippines**, which declared a national energy emergency in March, imported three times more Chinese solar panels in the first quarter of 2026 than during the same period a year earlier.

Across **Africa**, 15 countries reported solar imports of more than $400 million in the first quarter of 2026, compared with $650 million for the whole of 2025.

Power sector investment is shifting towards grids and battery storage

As renewable penetration continues to increase, investment is increasingly broadening from generation towards the infrastructure needed to support a more electrified economy. Electricity networks and battery storage are becoming increasingly important in maintaining system reliability and integrating new renewable capacity.

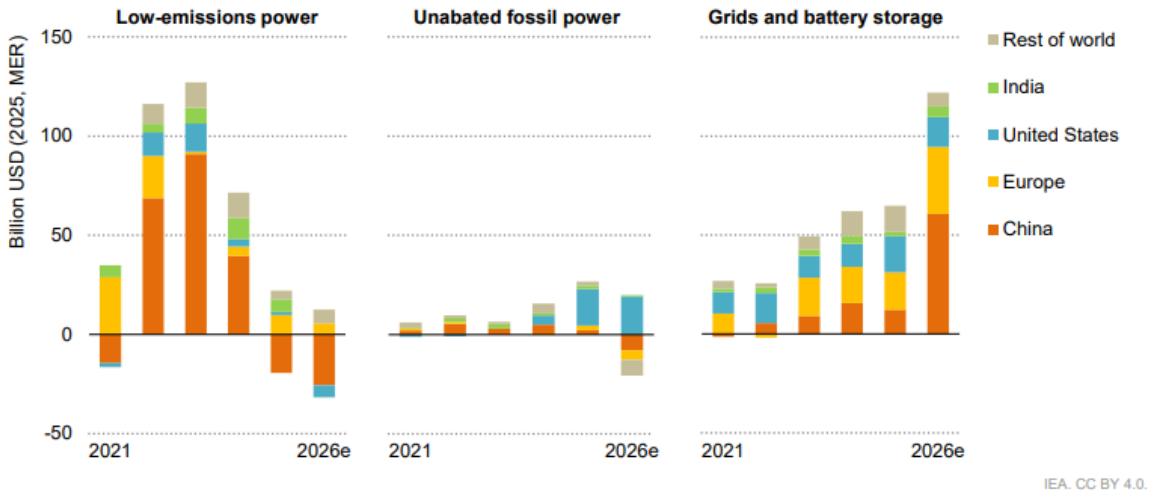
A reason for the acceleration in spending is that grid investment has lagged generation in recent years, resulting in growing constraints across electricity networks, with the IEA estimating that almost 600 GW of renewable projects in late-stage development are currently awaiting grid connection. In response, governments are increasingly prioritizing network investment and introducing measures designed to accelerate grid expansion and improve connection times.

- In the **UK,** Ofgem has approved $13.6 billion to reinforce the electricity transmission network, improve reliability, and expand capacity for electrification.
- The **European Commission** has introduced a “European Grids Package”, allocating $565 million to support network expansion.
- In **China,** State Grid has approved a $100 billion investment program for 2026
- **India** plans to invest $91 billion in transmission infrastructure by 2035-36 to address acute network bottlenecks.

In combination with rising grid spending, investment in battery energy storage systems (BESS) is expected to grow 30% in 2026, reaching almost $80 billion. BESS have an increasingly important role to play with growing renewable penetration given their ability to store energy during periods of surplus solar PV (photovoltaic) and wind production and release it during peak demand.

Ultimately, the IEA expects global grid investment to approach $550 billion in 2026, while spending on battery storage is set to exceed $100 billion.

Annual year-over-year (YoY) investment growth for the power sector by category, 2021-2026e



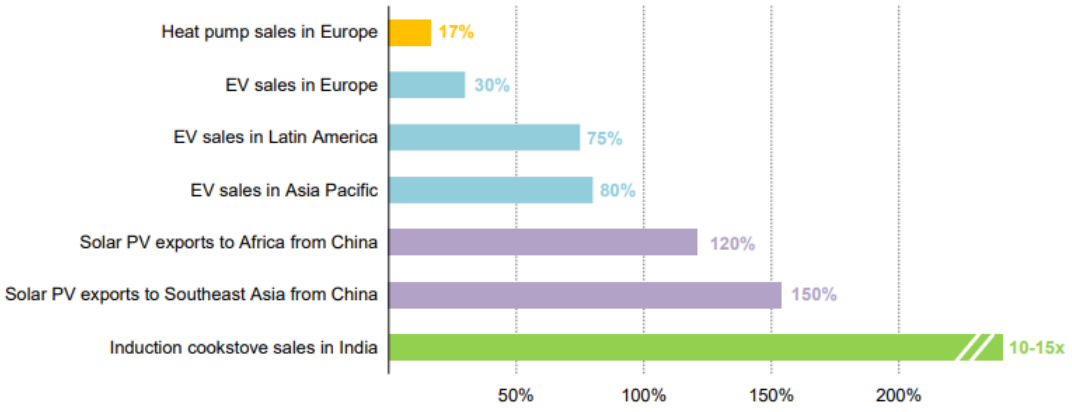
Source: IEA, May 2026

Energy security considerations will accelerate efficiency investments and electrification

With energy security returning to the top of the policy agenda, the IEA expects investment in energy efficiency to continue rising. Efficiency spending has already proved relatively resilient across buildings, transport and industry, reaching around $366 billion in 2025, reflecting the importance of energy costs to households and businesses even outside periods of crisis. In the context of recent supply disruption, the case for efficiency becomes stronger still, given its ability to structurally reduce energy consumption and fossil fuel import dependency.

While it remains too early to determine the full impact of recent events on efficiency investment, there is already evidence that higher energy prices are influencing consumer and business behavior. The IEA notes that heat pump sales in Europe increased by 17% in the first quarter of 2026, while EV sales across Europe, Latin America and Asia Pacific rose by between 30% and 80%. Similarly, solar deployment has accelerated in parts of Africa and Southeast Asia and induction cookstove sales in India have increased more than 200% versus the first quarter a year ago.

Growth in spending Q1 2025 – Q1 2026

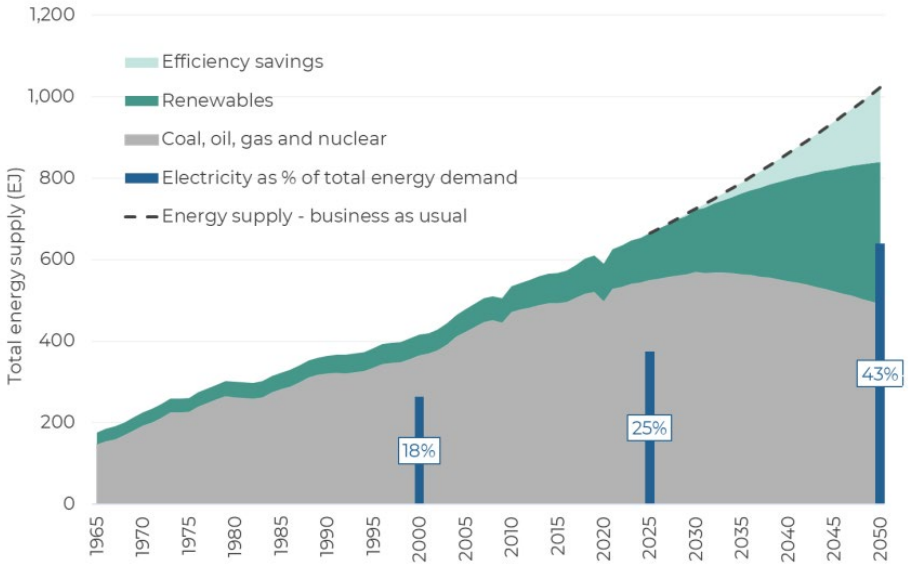


Source: IEA, May 2026

Longer-term implications

The IEA's findings point to an energy transition that is progressing at speed, with investment increasingly flowing towards the parts of the system required to support electrification and rising power demand. This is consistent with our longer-term view of the energy transition, driven less by policy and more by structural demand growth, improving economics and the need for secure, reliable power, with investment focused on grids, generation and storage to enable a more electrified global energy system.

Global Energy Supply, 1965-2050e



Source: Guinness Atkinson, June 2026

Conclusion

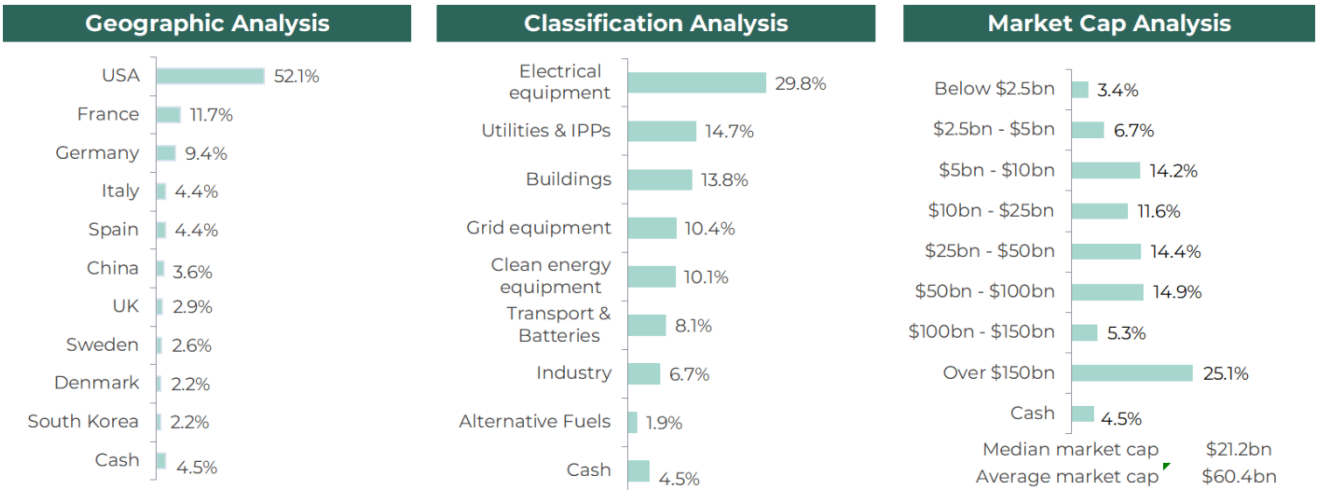
The IEA's latest report reinforces a number of themes that have been shaping the energy transition for many years. Investment in renewables continues to grow, supporting an increasingly low carbon electricity system, while investment is now broadening into the grids, storage and infrastructure needed to support rising levels of electrification. The conflict in the Middle East has brought energy security back to the forefront of policymaking and is likely to accelerate several trends already evident across the global energy system. In our view, the report reinforces our long-held view of the transition, characterized by rising renewable penetration, improving energy efficiency and increasing electrification across transport, buildings and industry.

PORTFOLIO

Buys/Sells

There were no buys/sells during the month, but the fund was actively rebalanced.

Portfolio structure analysis



Data as of 05.31.2026. Source: Guinness Atkinson. Portfolio holdings are subject to change.

Portfolio sector breakdown

The following table shows the asset allocation of the Fund at the 31st of May and at previous year ends.

Asset allocation as %NAV	Current	*Change*	Year end			Previous year ends			
	May-26		*Dec-25*	*Dec-24*	Dec-23	Dec-22	Dec-21	Dec-20	Dec-19
Electrical equipment	29.8%	*1.1%*	*28.7%*	26.8%	25.1%	20.3%	19.0%	10.0%	9.6%
Buildings	13.8%	*-1.6%*	*15.4%*	14.8%	*9.6%*	*7.7%*	*4.2%*	*3.7%*	*10.2%*
Utilities & IPPs	14.7%	*-0.8%*	*15.5%*	20.5%	*19.5%*	*17.7%*	*23.1%*	*24.6%*	*22.2%*
Grid equipment	10.4%	*-0.2%*	*10.6%*	9.0%	7.6%	7.3%	6.6%	6.1%	5.5%
Clean energy equipment	10.1%	*-0.7%*	*10.8%*	10.3%	15.8%	19.7%	18.7%	28.8%	23.5%
Transport & Batteries	8.1%	*-0.7%*	*8.9%*	11.3%	16.4%	18.5%	19.5%	20.4%	21.7%
Industry	6.7%	*-0.3%*	*7.0%*	4.8%	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*
Alternative Fuels	1.9%	*0.2%*	*1.7%*	1.8%	*1.8%*	*3.0%*	*3.7%*	*3.6%*	*3.2%*
Cash	4.5%	*3.0%*	*1.5%*	0.7%	4.2%	5.8%	5.3%	3.0%	4.2%

Source: Guinness Atkinson

Portfolio holdings as at the end of May 2026

Our portfolio is typically allocated across 30 broadly equally weighted equities, providing exposure across the value chain of sustainable energy.

A key theme in the portfolio (at around about 37% weight) is that of **electrical equipment,** where we own a number of companies that facilitate the electrification of energy demand and the build-out of the electrical grid. Holdings such as Eaton, Schneider Electric, Amphenol and Legrand participate in various niches in the design, manufacturing and servicing of electrical products across low, medium and high voltage applications, for a wide range of end markets. Hubbell holds a particular specialism in high voltage grid equipment, especially in the United States, while Prysmian manufactures the cable used in high voltage interconnectors and connections to new supply sources. Lastly, Itron has a heritage in manufacturing smart meters and is increasingly providing services and consulting to utilities around this installed base to enable more efficient utilization of the grid.

The electrification and efficiency of buildings, industrial activities, and transportation represent a total weight of about 33% and are split as follows:

- In terms of **transportation** exposure, the portfolio holds five names in the electric vehicle sub-category, giving it exposure to companies that provide semiconductors, electronics, components and software/services to the growing EV and autonomous vehicle industry. Infineon and NXP Semi are providers of power semiconductors and microcontrollers that are a necessity for higher-voltage electric vehicles to become competitive with ICE (internal combustion engine) vehicles, while Aptiv and Sensata are component manufacturers and service providers that should benefit from the ever-increasing amount of electronics present in electric vehicles. We hold one lithium-ion battery manufacturer, LG Chem, which is a Korean chemicals company and one of the largest lithium-ion battery manufacturers in the world.

- Our **buildings** exposure comes via pure-play quality exposure to heating and cooling industries (via commercial HVAC manufacturer Trane Technologies) as well as high-quality roofing manufacturer Carlisle Companies. We also own Owens Corning, a manufacturer of insulation (and associated products). Our final holdings here are SPIE, a French electrical engineering company that provides services for building maintenance, predominantly in France and Germany, and AECOM, a US focused Design & Engineering business with exposure to building efficiency and the renewable energy buildout.

- Our **industrial** efficiency and electrification exposure comes from two positions, in Siemens and Atlas Copco. Siemens provides us with exposure to efficiency and electrification across a wide range of end markets, while Atlas Copco offers exposure to the efficient use of air (often referred to as the fourth utility) in manufacturing processes, via compressors and vacuum technology.

In terms of the **generation** of sustainable energy, we hold a about 17% weight to utilities and independent power producers. China Longyuan is a pure-play Chinese wind power producer and represents one of our two independent power producer (IPP) holdings. The remaining exposure comes in the form of geothermal via Ormat, the world's only integrated producer and equipment manufacturer for geothermal projects. We also have broad-based wind/solar renewable energy generation through NextEra Energy (the largest producer of renewable energy in the world), while Iberdrola is our one utility, with particular exposure to electricity networks.

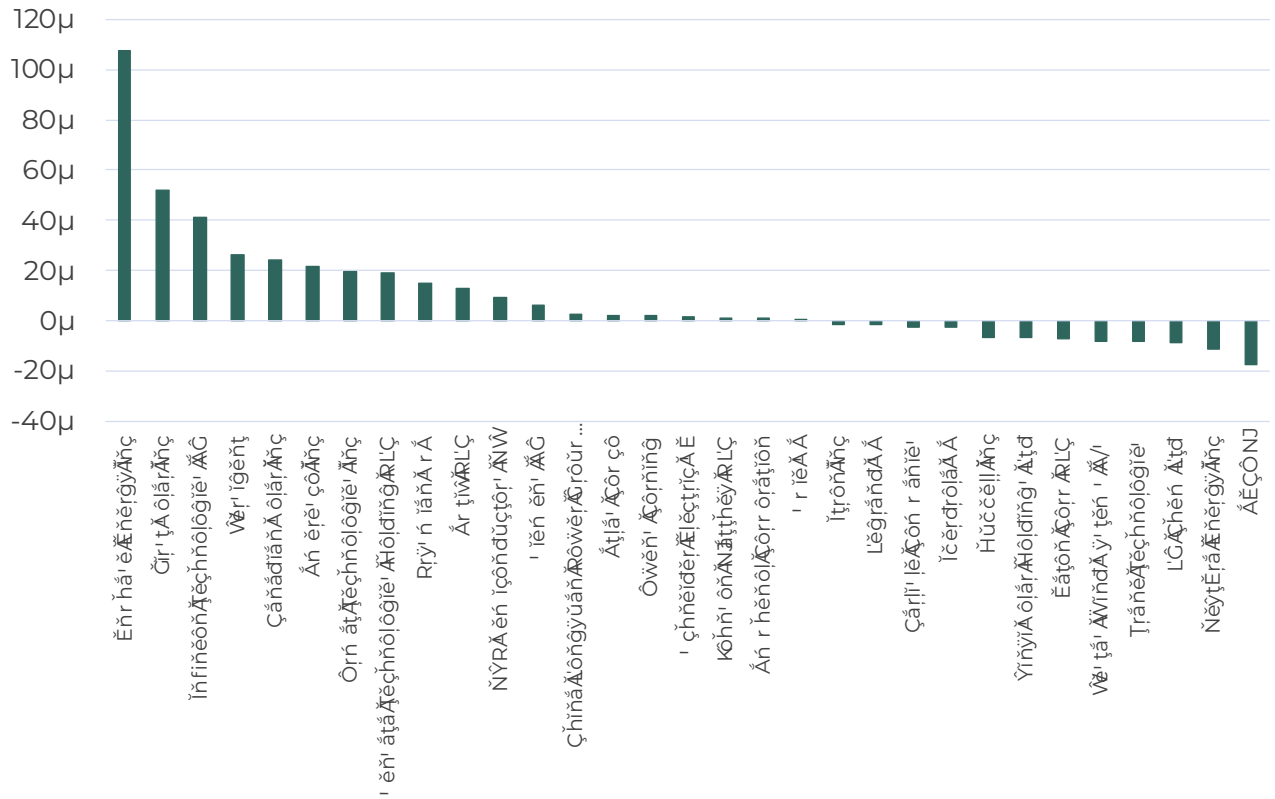
We hold exposure to the **solar and wind equipment** and manufacturing value chains. Xinyi Solar is the world's largest supplier of the glass used in solar cell modules, and Enphase manufactures the inverters required to convert direct current (DC) solar power into consumable alternating current (AC) electricity. Canadian Solar and First Solar give integrated exposure to the solar cell and module manufacturing process, covering both the standard polysilicon manufacturing process (via Canadian Solar) as well as the specialist cadmium telluride process used by First Solar. Wind turbine manufacturer Vestas provides broad exposure to the strong growth that we expect in the onshore and offshore wind markets. Lastly, we have some exposure to bioenergy (and a broader range of energy efficiency projects) via Ameresco, a US-listed clean energy project developer.

Performance

Within the Fund, the strongest performers were Enphase Energy Inc, First Solar Inc, Infineon Technologies AG, Versigent and Canadian Solar Inc while the weakest performers were AECOM, NextEra Energy Inc, LG Chem Ltd, Trane Technologies and Vestas Wind Systems A/S.

Enphase performed strongly in the month with the announcement of its new solid-state transformer for AI date centers. Performance of solar equipment manufacturers First Solar and Canadian Solar reflects growing interest in solar power as an alternative to volatile fossil fuels amid the energy supply shock.

Stock by Stock performance over the month, in USD



Source: Bloomberg. As of May 31st 2026

GAAEX

Guinness Atkinson Alternative Energy Fund

June 2026 Update

GUINNESS ATKINSON FUNDS

As of 5/31/2026	YTD	1 Year	3 Years	5 Years	10 Years
GAAEX	17.32%	42.10%	6.98%	3.50%	10.91%
MSCI World Index NR	10.49%	27.49%	21.87%	11.96%	13.08%

As of 3/31/2026	YTD	1 Year	3 Years	5 Years	10 Years
GAAEX	-0.63%	32.44%	- 0.28%	0.24%	8.57%
MSCI World Index NR	-3.57%	18.90%	16.75%	10.26%	11.79%

All returns after 1 year annualized.

Inception 03.31.2006 Expense ratio* 1.11% (net); 1.89% (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, 2029. 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 5/31/26:

1.	Infineon Technologies AG	5.25%
2.	Prysmian SpA	4.45%
3.	Iberdrola SA	4.41%
4.	Amphenol Corp	4.33%
5.	Legrand SA	4.30%
6.	Eaton Corp PLC	4.23%
7.	Schneider Electric SE	4.20%
8.	Siemens AG	4.15%
9.	First Solar Inc	4.03%
10.	NXP Semiconductors NV	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.

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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