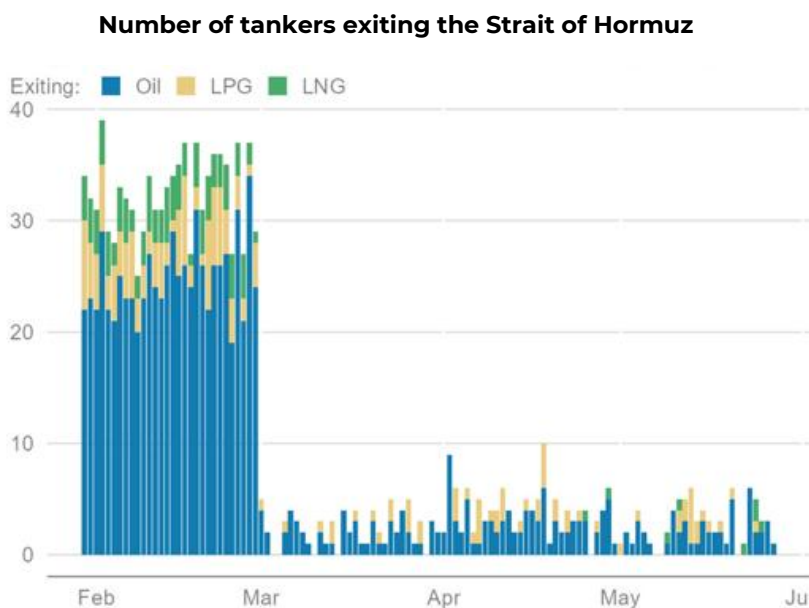


Chart of the Month: Daily number of transits out of the Middle East Gulf

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.



Source: Morgan Stanley, June 2026

News**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 moderate despite LNG disruption**

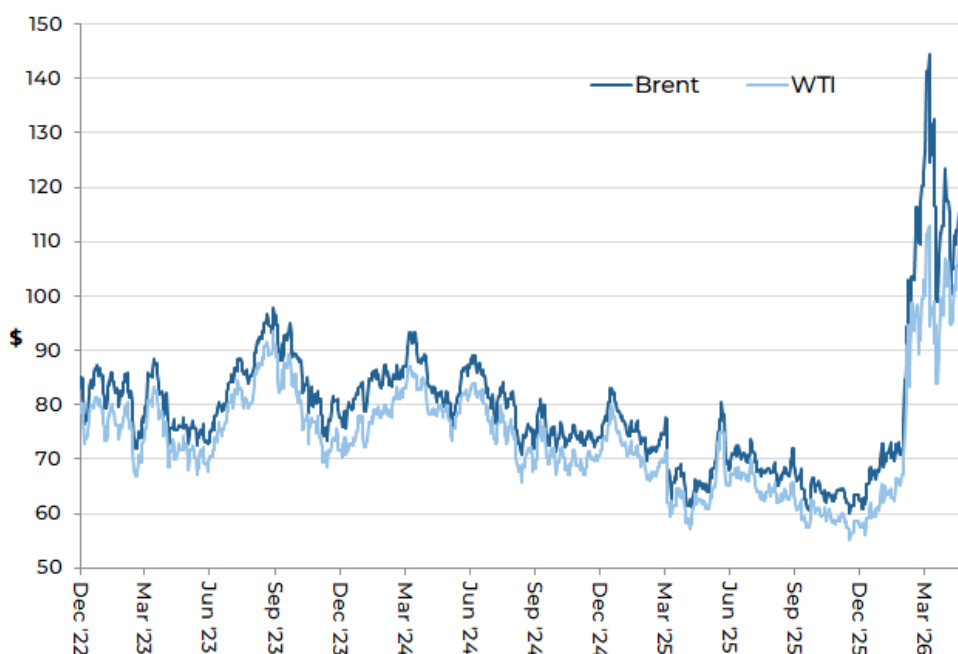
Asian and European liquefied natural gas (LNG) prices rose in May and remain around 50-90% higher than at the start of the year. The market is weighing up the continued shutting-in of LNG in the Middle East (20% of global LNG supplies transit the Strait of Hormuz) versus a ramp-up of supply elsewhere.

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%.

May in Review

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



Source: Bloomberg; Guinness Atkinson, data as of 05.31.2026

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:

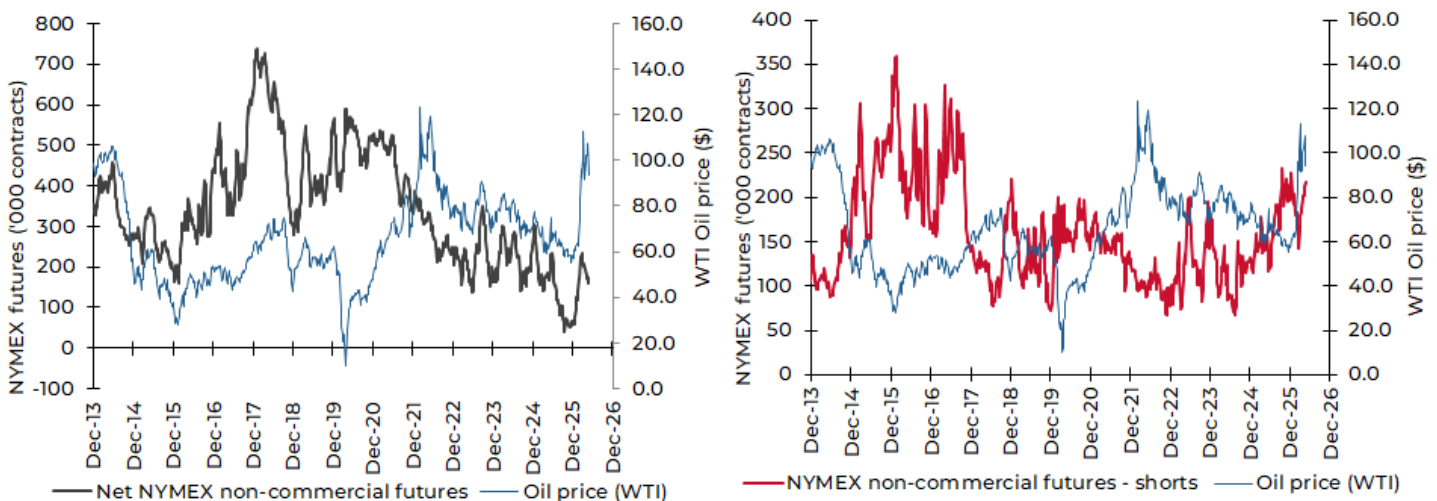
UAE's withdrawal from OPEC

On 28th April, the United Arab Emirates announced that it will be leaving OPEC and OPEC+, effective from May 1, 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



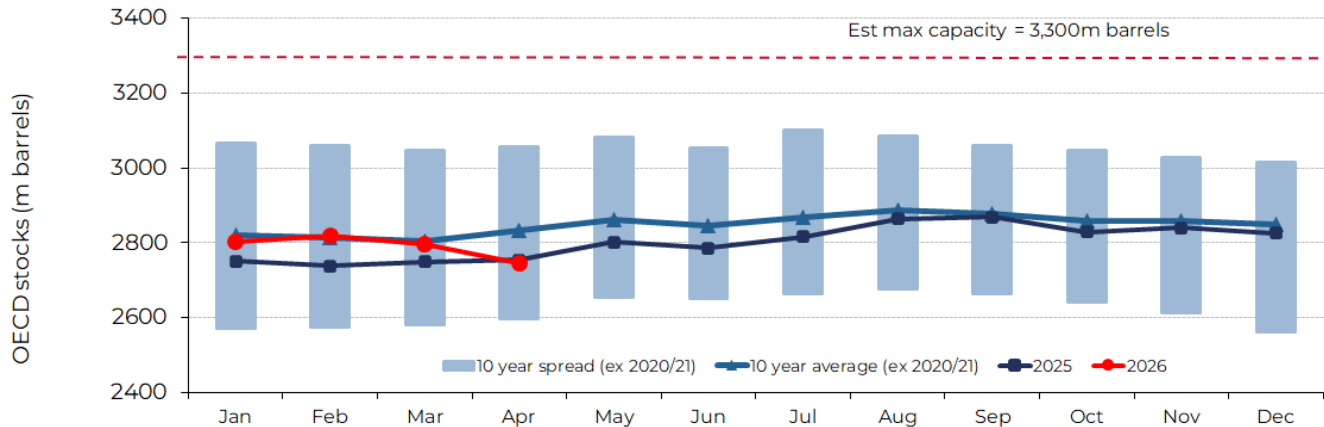
Source: Bloomberg LP/NYMEX/ICE (2026)

Organization for Economic Cooperation and Development (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 bls versus the level reported for the previous month. The move in April compares to a 10-year average (pre-COVID) build of 32m bls. 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



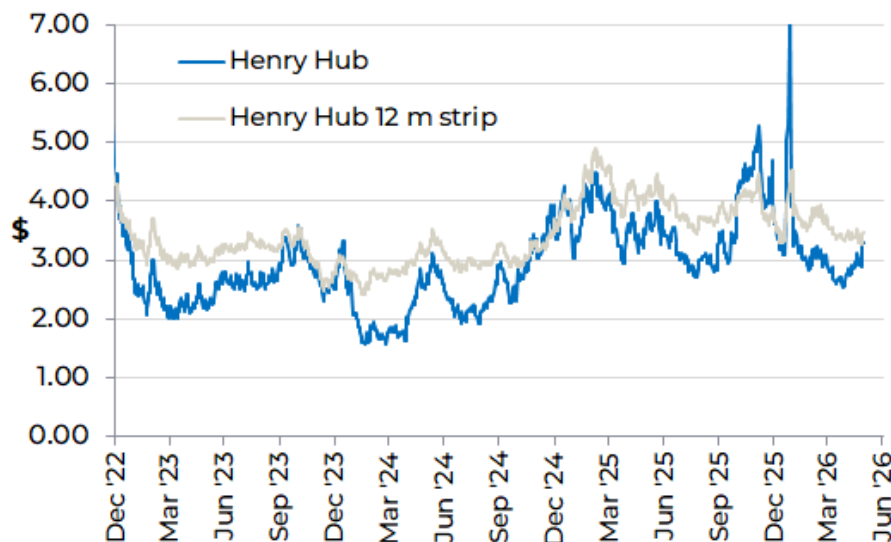
Source: IEA Oil Market Reports (May 2026 and older)

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:**War in the Middle East**

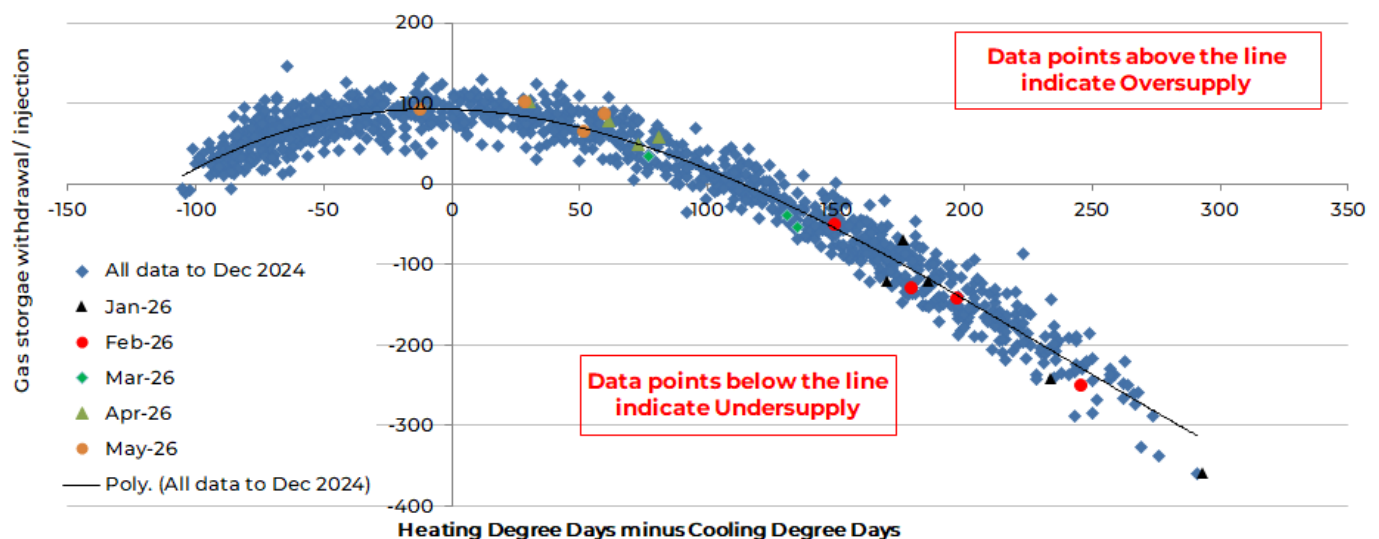
The Strait of Hormuz typically sees the passage of around 10-11 billion cubic feet (Bcf) per day of LNG, around 20% of the global LNG market. The largest producer, QatarEnergy, shut in production very shortly after the start of the war as available inventory capacity was limited. The loss of 10-11 Bcf/day 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)**

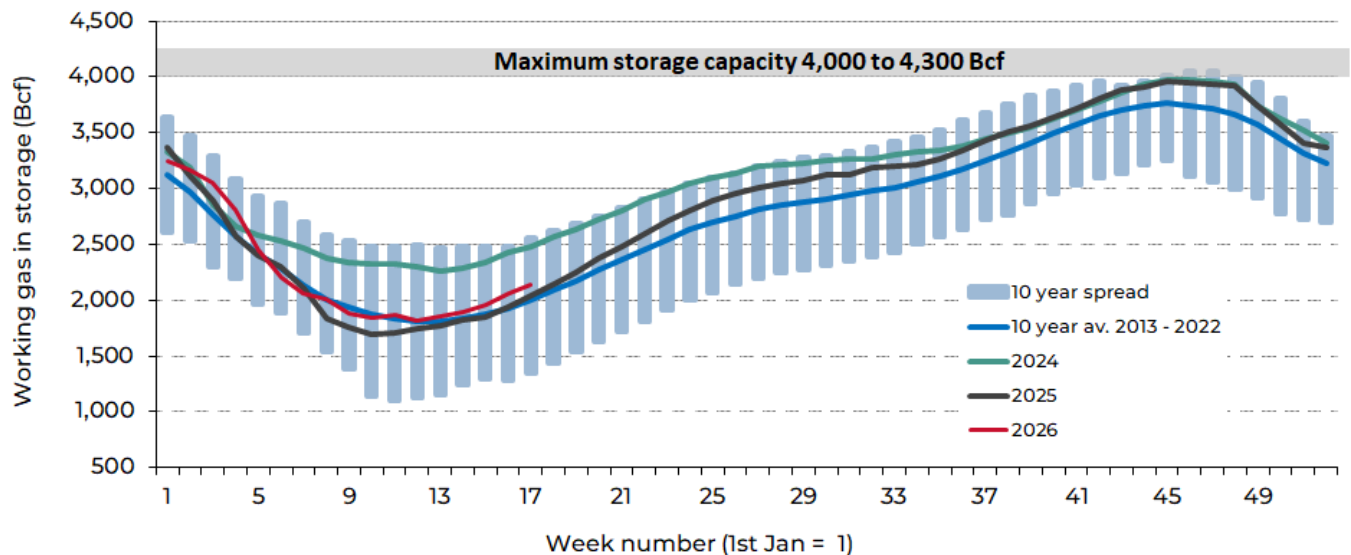
Adjusting for the impact of weather, the US gas market was, on average, around 1 Bcf/day oversupplied during May.

Weather-adjusted US natural gas inventory injections and withdrawals

Source: Bloomberg LP; Guinness Atkinson; 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 per barrel/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.

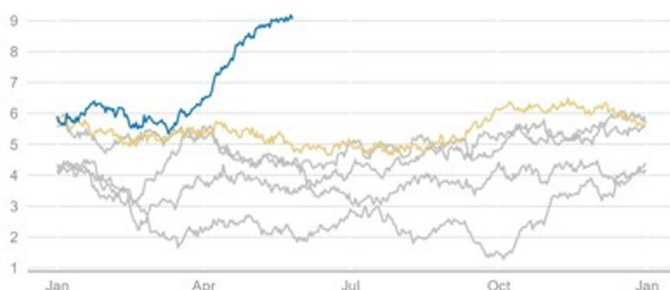
3. **A rapid rebalancing of oil flows.** In recent weeks we have seen a willingness from the US to rapidly increase oil exports (from around 5m barrels a day to around 9m barrels a day) and from China to rapidly reduce net oil imports (falling from around 13m b/day this time last year to around 7.5m barrels a 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

United States

Seaborne net exports (crude + products, 30-day avg, mb/d)

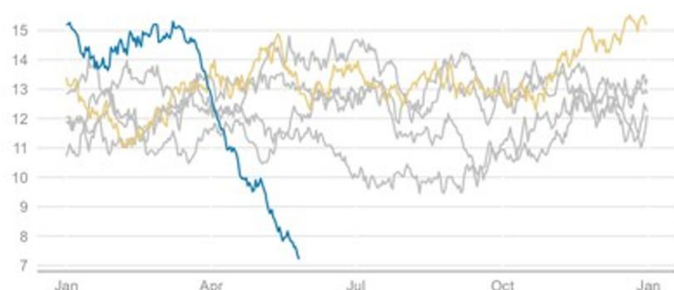
— 2021-2024 — 2025 — 2026



China

Seaborne net imports (crude + products, 30-day avg, mb/d)

— 2021-2024 — 2025 — 2026

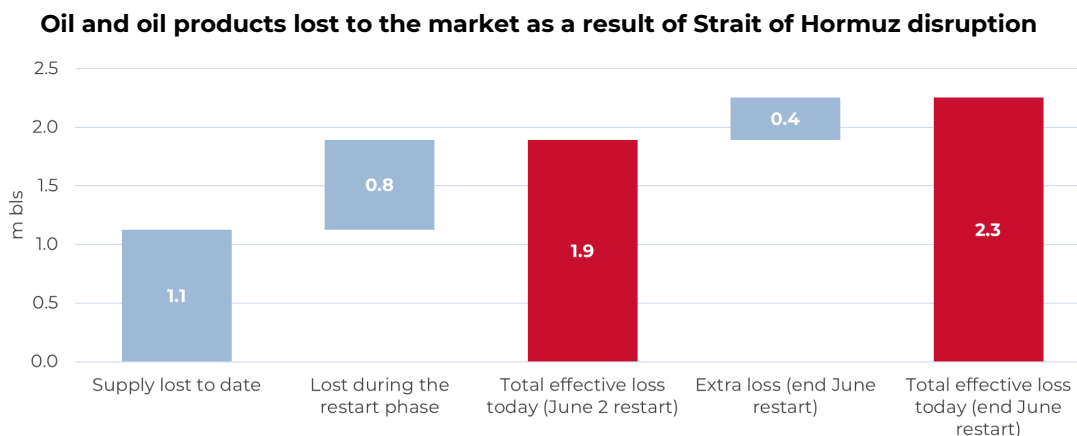


Source: Vortexa, Morgan Stanley, June 2026

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

With around 14m barrels/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.



Source: Guinness Atkinson 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.

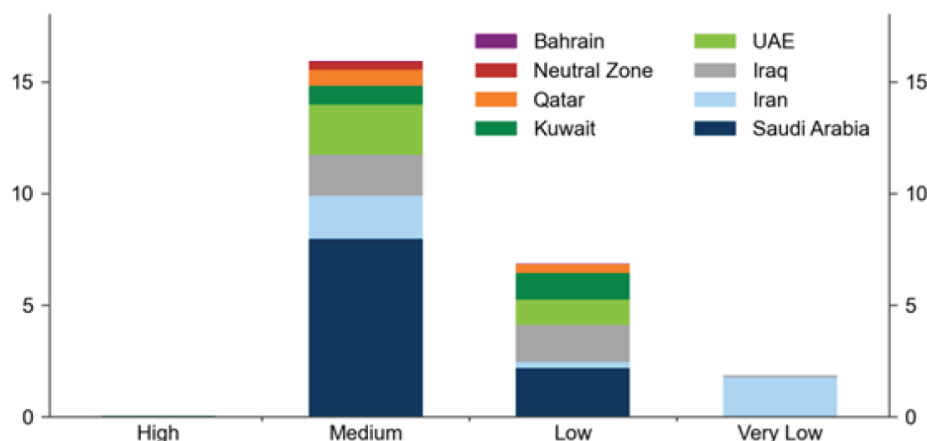
How long will it take for production to recover and for 'everything to return to normal'?

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 Atkinson 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.

Conclusion about oil

The table below summarizes our view by showing our oil price forecasts for WTI and Brent in 2026 versus recent history.

Average WTI & Brent yearly prices, and changes

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Oil price (\$/bl)																					Est
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 Atkinson 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%.

Portfolio holdings

Buys/Sells

There were no stock switches during the month, but the portfolio was rebalanced.

Our integrated and similar stock exposure (about 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 the 31st of 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 (about 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.

Performance

As of 5/31/2026	YTD	1 Year	3 Years	5 Years	10 Years
GAGEX	30.07%	52.69%	19.70 %	17.82%	7.01%
MSCI World Index NR	10.49%	27.49%	21.87%	11.96%	13.08%
MSCI World Energy NR	26.26%	43.63%	18.61%	19.11%	8.97%
As of 3/31/2026	YTD	1 Year	3 Years	5 Years	10 Years
GAGEX	37.85%	47.60%	19.07%	20.98%	8.52%
MSCI World Index NR	-3.57%	18.90%	16.75%	10.26%	11.79%
MSCI World Energy NR	36.86%	40.88%	19.12%	22.35%	10.49%

All returns after 1 year annualized.

Inception 06.30.2004 Expense ratio* 1.47% (net); 2.27% (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 1.45% 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.	Exxon Mobil Corp	5.17%
2.	TotalEnergies SE	4.81%
3.	Chevron Corp	4.66%
4.	BP PLC	4.58%
5.	Valero Energy Corp	4.50%
6.	Shell PLC	4.30%
7.	ConocoPhillips	4.24%
8.	Canadian Natural Resources Ltd	3.98%
9.	Suncor Energy Inc	3.91%
10.	Cenovus Energy Inc	3.78%

MSCI World Energy Index is designed to capture the large and mid cap segments across 23 Developed Markets countries. All securities in the index are classified in the Energy sector as per the Global Industry Classification Standard.

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.

Brent Crude is the price benchmark used for the light oil market in Europe, Africa, and the Middle East, originating from oil fields in the North Sea between the Shetland Islands and Norway.

West Texas Intermediate (WTI) is the price benchmark for the US light oil market and is sourced from US oil fields.

Short futures position in oil is when a trader sells an oil future contract in the belief that the price of oil will decrease before the contract expires.

Organization for Economic Cooperation and Development (OECD) is an intergovernmental organization with 38 member countries meant to stimulate economic progress and world trade.

OPEC+, or the Organization of the Petroleum Exporting Countries Plus, is a loosely affiliated entity consisting of 12 OPEC members and 10 of the world's major non-OPEC (e.g., Russia, Kazakhstan, Mexico, Oman, Malaysia) oil-exporting nations.

Henry Hub is a natural gas pipeline located in Erath, Louisiana, that serves as the official delivery location for futures contracts on the New York Mercantile Exchange (NYMEX).

The International Energy Agency (IEA) is an international intergovernmental organization based in Paris that was established in 1974. Its stated mandate is to maintain the stability of the international oil supply, although its mission has expanded to emphasize the promotion of renewable energy sources.

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 Global 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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