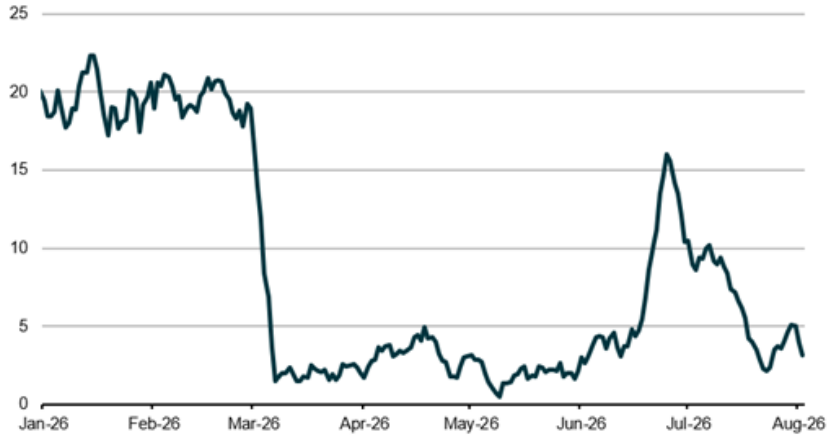
Chart of the Month: Oil Flow Through the Strait of Hormuz

The end of the ceasefire in the Persian Gulf has seen oil flows through the Strait of Hormuz return to levels seen in April and May 2026. The most recent data implies Hormuz flow of 3.1m barrels per day in the last week of July, around 17m b/day lower than the level seen pre-war.

Total oil flow through the Strait of Hormuz (7-day moving average million barrels/day)



Source: Morgan Stanley, July 2026

News

OIL

Spot up as US/Iran ceasefire ends, Houthis join in

The WTI and Brent spot oil prices rose in July as the US/Iran ceasefire ended and Strait of Hormuz volumes fell back to pre-ceasefire levels. Iranian-backed Houthi rebels attacked shipping in the Red Sea. Ukrainian drones attacked Russian refinery infrastructure, bringing US and European refining margins to record high levels. Brent rose to $106/bl mid-month and closed at $96/bl. WTI closed at $85/bl.

NATURAL GAS

Global gas prices rose in July

Asian and European liquefied natural gas (LNG) prices rose in July as Middle Eastern supply fell. European inventories remain below 10-year averages, with growing risk of winter shortages. US gas prices fell as LNG exports were curtailed due to maintenance. The market is weighing up a normalization of flows in the Middle East (20% of global LNG supplies transit the Strait of Hormuz) versus a ramp-up of supply elsewhere and limited storage for winter 2026

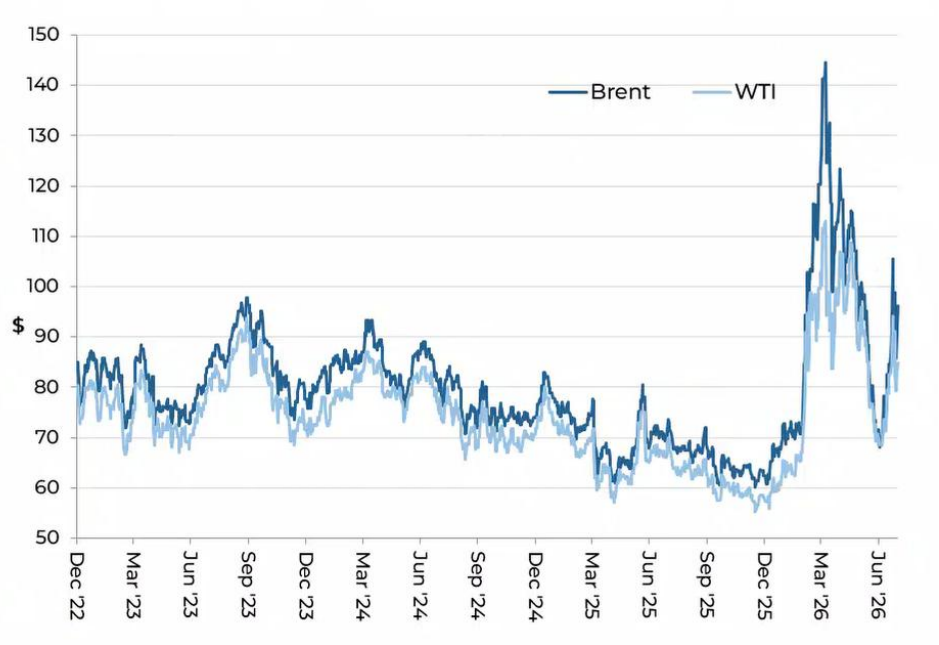
EQUITIES

Energy underperforms the broad market in July

Comparing energy equities to the broader market, the MSCI World Energy Index (net return) rose by 12.7% (USD) in July, outperforming the MSCI World Index (net return), which rose by 0.5%. Year-to-date, the MSCI World Energy Index is up 33.6% versus the MSCI World Index up by 10.3%.

July in Review

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



Source: Bloomberg; Guinness Atkinson, data as of 07.31.2026

The West Texas Intermediate (WTI) oil price began June at $70/bl and rallied to reach a peak of $94/bl on 23rd July before retrenching to close the month at $85/bl. Brent oil traded in a similar manner, starting at $71.5/bl in June and ending at $96/bl by the end of July. Brent has averaged $91.5/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 expanded significantly over the month, ending July at around $11/bl. The Brent-WTI spread has averaged around $5/bl in recent years.

Factors which strengthened WTI and Brent oil prices in July:

Collapse of US-Iran ceasefire and the entrance of the Houthis into the conflict

Oil prices rose following the collapse of the US-Iran 60-day ceasefire agreement as flows through the Strait of Hormuz were sharply reduced. Total Middle East exports, including pipeline rerouting, fell from around 13m b/day at the start of July to around 6m b/day in the final week of the month, back to levels seen at the start of the US/Israeli-Iran war. In addition, Iran-backed Houthi rebels more formally entered the war during July by announcing a maritime blockade of Saudi Arabia (on 20th July) and warning that vessels loading or discharging cargo at Saudi ports could be attacked. The threat was deemed strong enough that several tankers altered course, delayed voyages, or diverted north from the Saudi port of Yanbu on the Red Sea toward the Suez Canal, taking a route to Asian markets around the Cape of Good Hope rather than risk going south through the strait. On July 23rd, two Saudi tankers were attacked and then, on July 26th, Saudi onshore facilities at Yanbu and Jizan were also attacked, with commercial traffic through Bab al-Mandeb falling to its lowest level in months.

Falling oil and product inventories

We estimate that oil and product inventories have been drawing at around 7m b/day, or around 200m barrels per month. As of the end of July, at least 1.5bn barrels had already been lost to the market as a result of the US-Iran conflict, and the total loss is likely to exceed 2bn barrels once the disruption and recovery phase are taken into account.

Ukrainian attacks on Russian oil facilities

Ukraine maintained a high level of drone strikes on Russian oil infrastructure in July that have reduced Russian refining capacity by somewhere between 2.5m and 4m b/day, representing 37-55% of total capacity. Ukraine has now attacked 30 of Russia's 37 oil refineries. Russia – historically the world's second-largest diesel exporter with around 11% share of global seaborne trade – has now banned diesel exports for all of 2026 and has recently had to rely on importing gasoline from countries such as Morocco.

Factors which weakened WTI and Brent oil prices in July:

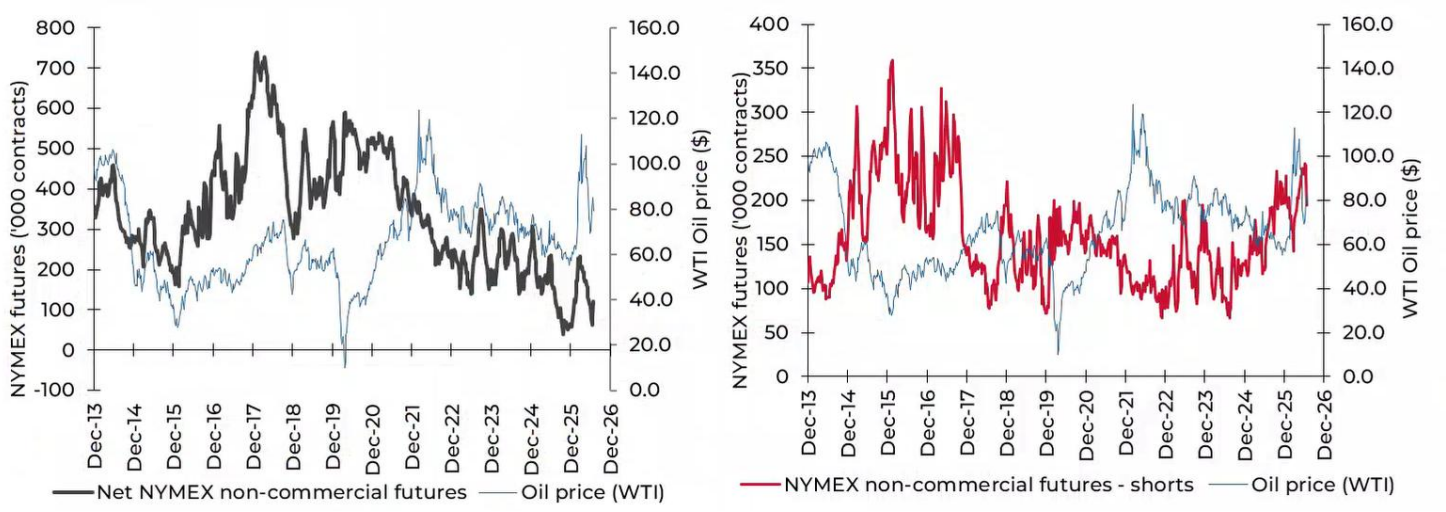
OPEC+ increases quota for September

At the end of the month, the major OPEC+ nations approved a production quota hike of 188k b/day for September. This September increase finishes the phased rollback of a 1.65m b/day production quota cut originally agreed in 2023 and leaves the group with one remaining layer of output cuts (around 2m b/day from 2022 that applies to most members) in place until the end of 2026. The increase is currently only symbolic since OPEC/OPEC+ remains unable to increase production volumes while the Strait of Hormuz is disrupted.

Speculative and investment flows

The New York Mercantile Exchange (NYMEX) net non-commercial crude oil futures open position was 120,000 contracts long at the end of July versus 110,000 contracts long at the end of June. 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 fell to 195,000 contracts at the end of July versus 230,000 at the end of the previous month.

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



Source: Bloomberg LP/NYMEX/ICE, data as of 07.31.2026

Organization for Economic Cooperation and Development (OECD) stocks

OECD total product and crude inventories at the end of June (latest data point) were estimated by the IEA to be 2,694m barrels, down by 62m barrels versus the level reported for the previous month. The move in May compares to a 10-year average (pre-COVID) draw of 13m barrels. OECD inventories have held up surprisingly well through the US-Iran conflict, with the majority of global inventory decline occurring in other parts of the market. At the end of June, the overall level of OECD inventories sat below the 10-year average.

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

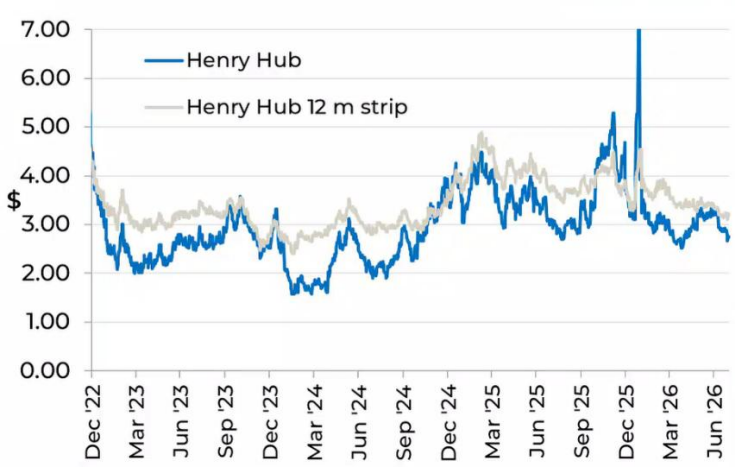
Source: IEA Oil Market Reports (July 2026 and older)

Natural gas market

The US natural gas price (Henry Hub front month) opened July at $3.28/Mcf (1,000 cubic feet) and generally trended lower over the month, closing down at $2.75/Mcf. The spot gas price has averaged $3.16/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 down, opening at $3.38/Mcf and closing at $3.22/Mcf. The strip price has averaged $3.53/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 July 2026



Source: Bloomberg LP, 7.31.2026

Factors which strengthened global gas prices in July:

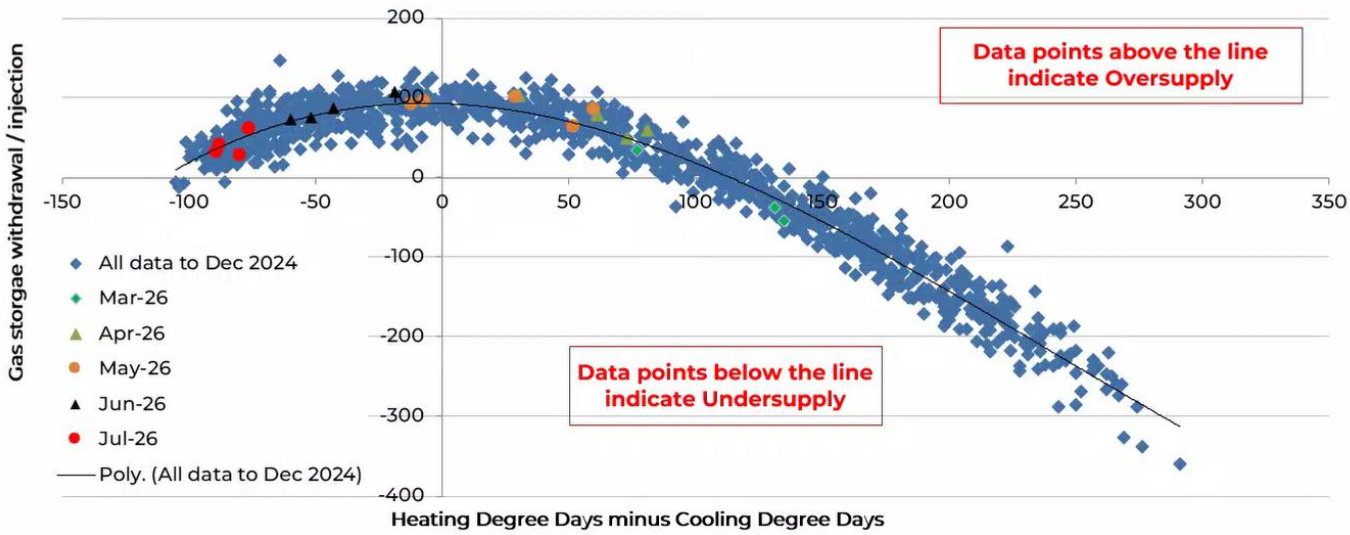
End of ceasefire in the Middle East

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. The fact that flows of LNG in the Gulf remained largely offline was a positive for international gas prices in the month, though the 60-day US-Iran ceasefire announced in mid-June had helped to weaken prices.

US market slightly undersupplied (ex-weather effects)

Adjusting for the impact of weather, the US gas market was, on average, just under 1 Bcf/day undersupplied during July.

Weather-adjusted US natural gas inventory injections and withdrawals



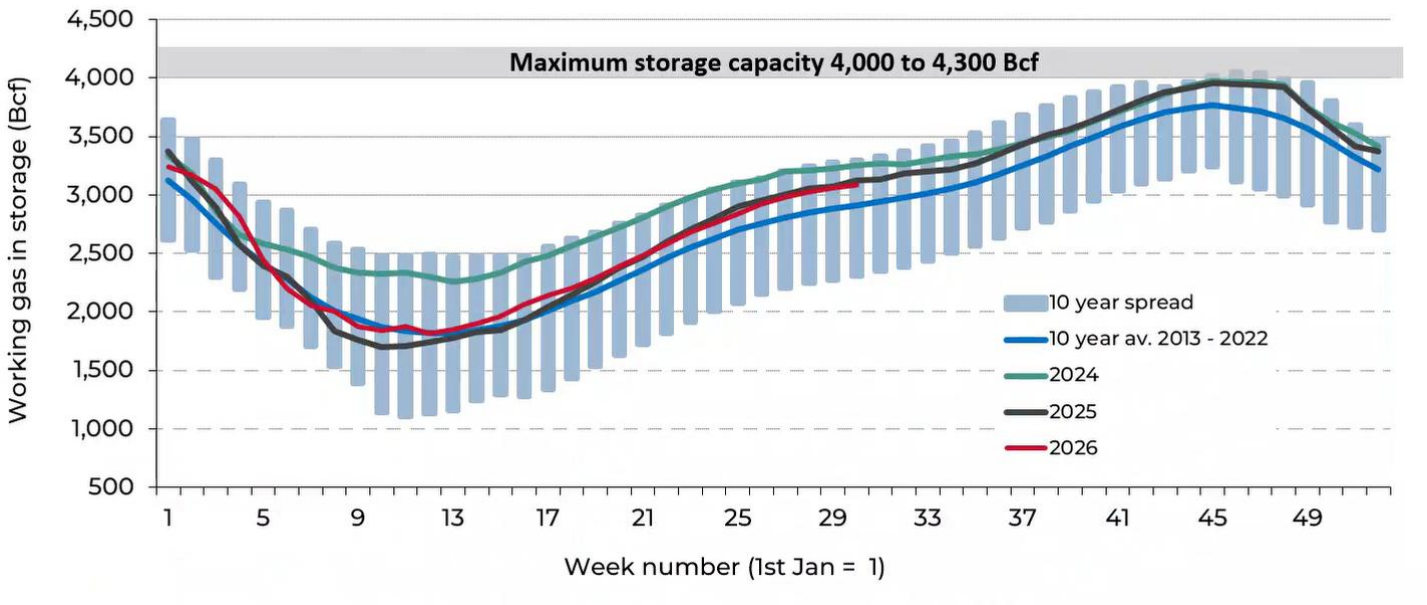
Source: Bloomberg LP; Guinness Atkinson; data as of 07. 31.2026

Factors which weakened global gas prices in July included:

Higher US inventories

US natural gas inventories started June 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), data as of 07.31. 2026

MANAGERS' COMMENTS

This month we consider two important developments causing higher oil and oil product prices in the middle of 2026: first, an escalation in the Middle East supply shock as Iran-backed Houthi rebels in Yemen have entered the conflict, causing shipping disruption and infrastructure damage around the Red Sea and the Bab al-Mandeb Strait; and secondly, the development of a very significant bottleneck (and hence record margins) in the global refining system which has been caused by Ukrainian attacks on Russian infrastructure, Strait of Hormuz disruptions and Chinese oil product export limits.

The importance of the Bab al-Mandeb Strait to global energy markets

The Bab al-Mandeb Strait connects the Indian Ocean and Gulf of Aden to the Red Sea, thereby providing access for Middle Eastern crude via the Suez Canal and SUMED pipeline to the Mediterranean Sea and to European markets. The strait, which is around 32km wide at its narrowest point, is bounded by Yemen to the north and both Djibouti and Eritrea to the south. According to the U.S. Energy Information Administration (EIA), roughly 12% of global seaborne oil and 8% of global liquefied natural gas (LNG) trade typically passes through the combined Bab al-Mandeb, Suez Canal and SUMED route which provides access between the Mediterranean Sea and the Arabian Sea.

The Bab al-Mandeb Strait and the Strait of Hormuz

source: EIA

While not as important as the Strait of Hormuz, the Bab al-Mandeb Strait has long been a very significant chokepoint for world energy markets.

Its significance has grown over the last 10 years as Iranian-backed Houthi rebels in Yemen have carried out attacks on shipping. Since the start of the Israel-Hamas war in 2023 they have expanded their range of targets from just UAE and Saudi shipping to Israeli and then all international shipping. Their threat to shipping was sufficiently high that major shipping companies chose to divert vessels around the Cape of Good Hope, adding roughly 10-15 days to shipping times, rather than risking a passage through the strait. The US military carried out air strikes against the Houthis in early 2024 and their threat receded somewhat with the group not playing much of a role in the early stages of the US/Israel-Iran war.

This changed last month when Iran asked the Houthis to be prepared to close the Bab al-Mandeb Strait if the United States struck Iranian power infrastructure. The Houthis reacted, formally announcing a maritime blockade of Saudi Arabia on 20th July and warning that vessels loading or discharging cargo at Saudi ports could be attacked. The threat was deemed strong enough that several tankers altered course, delayed voyages, or diverted north from the Saudi port of Yanbu on the Red Sea toward the Suez Canal, taking a route to Asian markets around the Cape of Good Hope rather than risk going south through the strait. On 23rd July, two Saudi tankers were attacked and then, on 26th July, Saudi onshore facilities at Yanbu and Jizan were also attacked, with commercial traffic through Bab al-Mandeb falling to its lowest level in months. At the time of writing, tensions are still high and the Houthis were said to be considering charging transit fees on commercial vessels using the strait, similar to Iranian demands over the Strait of Hormuz.

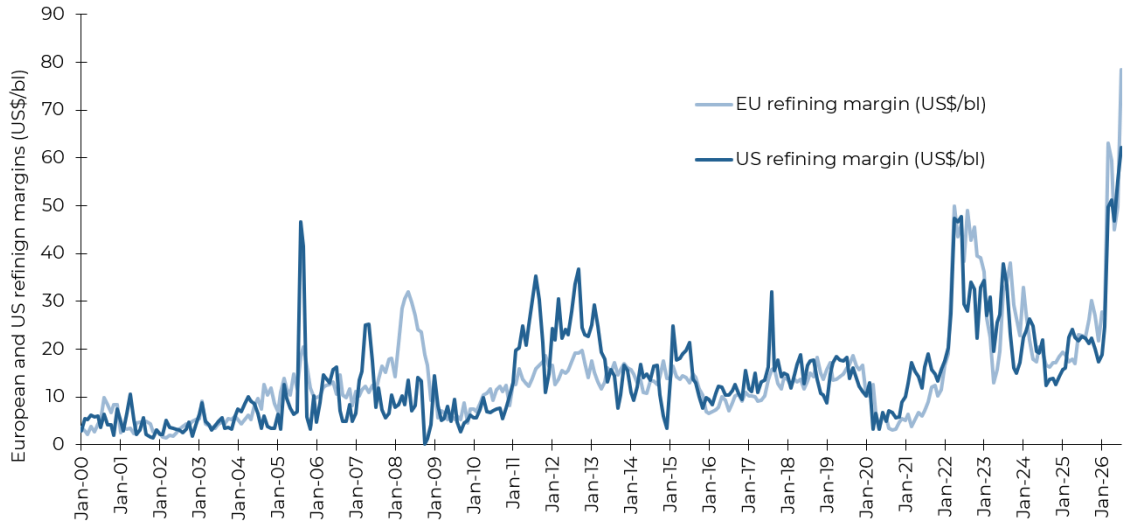
The addition of attacks in the Bab al-Mandeb Strait adds further risks to the current energy supply shock. Vessel disruption causes longer voyage times (Europe-bound cargoes can add roughly 10-15 days of sailing time depending on origin and destination, adding we estimate around $2/bl to transportation costs) and higher tanker rates (as more ships are required to transport the same volume of oil). The emergence of another shipping hotspot raises the overall risk profile again, adding further to the geopolitical risk premium that has built up over the last five months and is a reminder that energy infrastructure can be a military target.

A refining bottleneck emerges, causing record refining margins

While Middle East oil and oil product supply disruptions continue, it has become increasingly clear in recent weeks that the tightest part of the energy supply chain is, in fact, the downstream (covering refining operations) and not the upstream (covering oil production activities).

At the end of July, the European generic refining margin was at a record high of around $78/bl (up from $22/bl at the start of the year), while the US generic refining margin was at a record high of around $62/bl (up from $17/bl at the start of the year). The reaction of refining margins, in both regions up 3.6 times, has been much more significant than that of crude oil prices, where Brent and WTI are both up 1.5 times since the start of the year. This indicates clearly that the bottleneck in the global oil system is in refining, most notably in the western hemisphere, rather than in oil production or oil/oil product inventory.

European and US refining margins (US$/bl)



Source: Bloomberg, data to 07.31.2026

The reasons for the bottleneck are global and both long-term and short-term in nature.

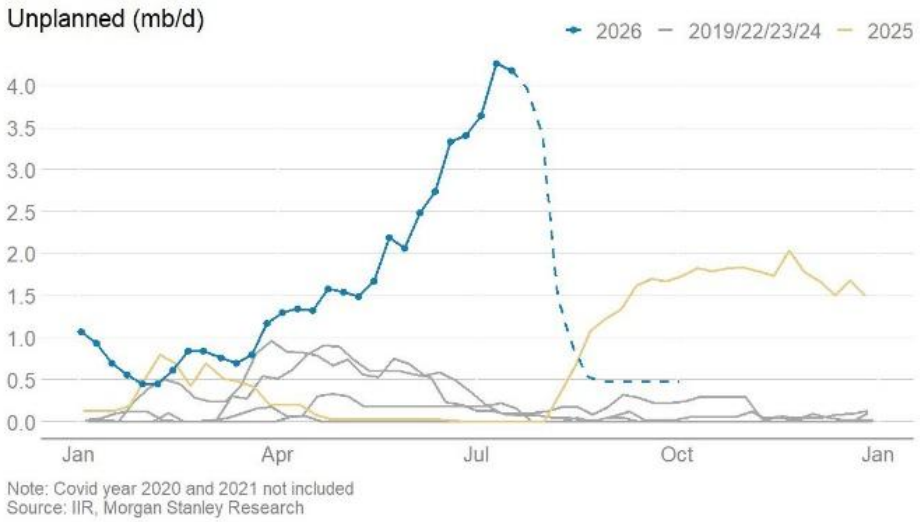
First, there is limited global refining capacity as the downstream has typically been a lower-profitability activity and, especially in the west, oil companies have been closing refinery capacity and diverting capital towards higher-return opportunities. In addition to lower western refining capacity, the region also had low diesel, jet fuel and product inventories at the start of 2026 reflecting a weak demand outlook and an oversupplied oil market expected at the start of 2026. This inventory situation has worsened over the year with most recent data showing that OECD commercial diesel stocks are 11% below seasonal norms while refined product stocks are still low across major storage hubs including Amsterdam-Rotterdam-Antwerp (-23% year-on-year) and Singapore (-14% year-on-year).

Secondly, there have been two key sources of refinery capacity reductions so far in 2026.

- Infrastructure damage and shipping disruption from the US/Israel-Iran war has caused refined product exports from west of Hormuz to fall (tracking around 3 mb/d below last year's level in recent weeks). The Persian Gulf usually supplies around 5m b/day of oil products and is one of the world's largest sources of diesel. Europe has historically been very dependent upon Gulf exports, with roughly a fifth of its diesel and half its jet fuel demand being supplied from the region.

- In addition, in more recent weeks, we have seen an increase in Ukrainian drone and missile attacks that have reduced Russian refining capacity by somewhere between 2.5m and 4m b/day (representing 37-55% of total capacity). Russia – historically the world's second-largest diesel exporter with around 11% share of global seaborne trade – has now banned diesel exports for all of 2026 and has recently had to rely on importing gasoline from countries such as Morocco.

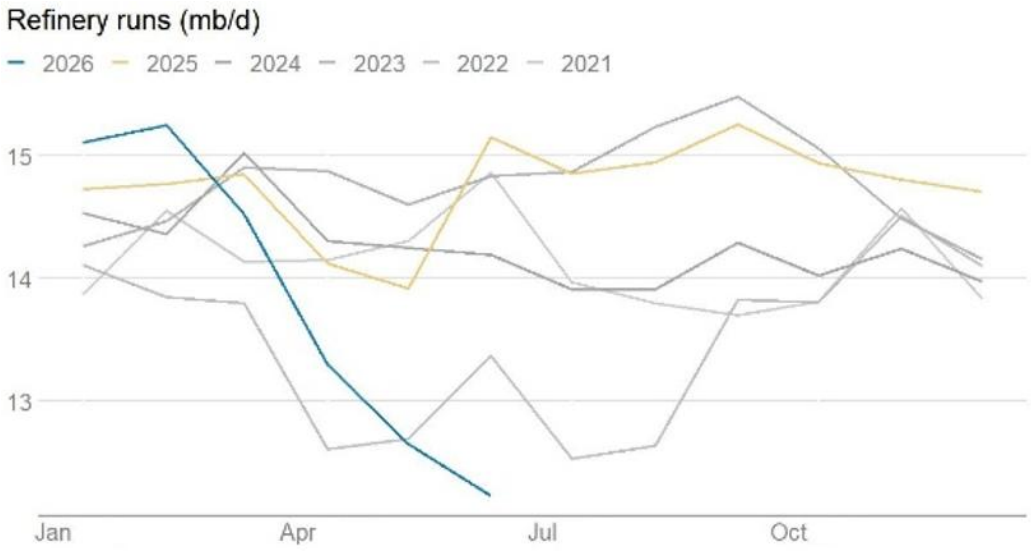
Russian refinery outages (m b/d)



Source: Morgan Stanley, August 2026

China limited the export of oil products in reaction to the US/Israel-Iran war at the start of March 2026, meaning that Chinese refinery runs have fallen sharply. In June, China was processing around 12.2m b/day of crude oil, down almost 18% year-on-year and close to a four-year low. This has effectively reduced the world's refining capacity even further.

China refinery runs (m b/d)



Source: Morgan Stanley, August 2026

Disruption in the Gulf and Russia together with the export ban in China collectively appear to be reducing global refinery runs by around 7m b/day versus the same period in 2025. This sharply lower production of oil product, when combined with the already low inventory position at the start of 2026, has caused oil product prices to rise sharply and refining margins to expand to the record levels witnessed at the end of 2Q 2026. Higher margins are incentivizing refiners (that are able) to maximize refining volumes and adjust product slates to maximize the production of diesel and jet fuel. For example, US refinery utilization reached at 97.2% at the end of July, the highest seasonally adjusted level for nearly 30 years and substantially higher than the 10-year average of 91.7%. Nonetheless, the additional volumes have not been sufficient on a global basis, and they are unlikely to be sufficient to dampen prices much in the remainder of 2026.

The bottleneck in the global refining system is a reminder that the world consumes oil products rather than oil *per se* and that the downstream business, having been oversupplied for many years, can be a profitable activity. We estimate it takes between five and 10 years to build a new refinery and, with little new refining capacity currently under construction (with only 0.5-1.0m b/day of new capacity being completed in the next couple of years) it appears that refining operations will remain exceptionally profitable until Gulf and Russian refining capacity comes back online. In the words of Saudi Aramco CEO Amin Nasser on August 4, 2026 "*the refining system today, excluding stranded Arabian Gulf and Russian refineries that have been under attack, is stretched and is operating at near maximum utilisation rates*". We expect refining margins to remain elevated for some time.

Outlook

Natural gas market

US gas demand

On the demand side for the US, industrial gas demand and power generation gas demand (each about 25-35% of total US gas demand) are key. Commercial and residential demand, which make up a further quarter, have been fairly constant on average over the last decade – although yearly fluctuations due to the severity of winter weather can be marked.

US natural gas demand

Bcf/day	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026E
US natural gas demand:															
Residential/commercial	19.2	22.4	23.4	21.4	20.5	20.9	23.4	23.5	21.5	21.5	23.2	21.5	21.0	23.1	23.1
Power generation	24.9	22.3	22.3	26.5	27.3	25.3	29.0	30.9	31.7	30.9	33.1	35.3	36.7	35.8	36.6
Industrial	19.7	20.3	20.9	20.6	21.1	21.6	23.0	23.1	22.3	22.5	23.2	23.3	23.3	23.5	23.8
Pipeline exports (Mexico)	1.8	1.9	1.9	2.7	3.8	4.0	4.6	5.1	5.4	5.9	5.7	6.1	6.4	6.6	6.9
LNG exports	-	-	-	0.1	1.0	2.6	2.8	4.8	6.4	9.7	12.0	12.6	13.1	16.5	18.9
Pipeline/plant/other	6.1	6.7	6.3	6.5	6.4	6.5	7.0	7.8	7.7	7.8	7.4	8.2	7.9	7.9	8.3
Total demand	**71.7**	**73.6**	**74.8**	**77.8**	**80.1**	**80.9**	**89.8**	**95.2**	**95.0**	**98.3**	**104.6**	**107.0**	**108.4**	**113.4**	**117.6**
Demand growth	**3.1**	**1.9**	**1.2**	**3.0**	**2.3**	**0.8**	**8.9**	**5.4**	**- 0.2**	**3.3**	**6.3**	**2.4**	**1.4**	**5.0**	**4.2**

Source: EIA; GS; Guinness estimates, July 2026

Industrial demand (of which around 35% comes from petrochemicals) trends up and down depending on the strength of the economy and the differential between US and international gas prices. Electricity gas demand (i.e. power generation) is affected by weather, in particular by warm summers, which drive demand for air conditioning, but the underlying trend depends on GDP growth and the proportion of incremental new power generation each year that goes to natural gas versus the alternatives of coal, nuclear and renewables. Gas has been taking market share in this sector: in 2025 40% of electricity generation was powered by gas, up from 22% in 2007. The big loser here is coal, which has consistently given up market share.

Total gas demand in 2025 (including Mexican and LNG exports) was around 113.4 Bcf/day, up by 5.0 Bcf/day versus 2024 and ~18 Bcf/day higher than the pre-COVID level in 2019. The biggest contributor to the growth in demand in 2025 was LNG exports.

We expect US demand growth in 2026 of around 4.2 Bcf/day. Growth is expected to be driven by higher LNG exports and greater power generation demand. Beyond 2026, we expect to see a material increase in US LNG export capacity as higher international gas prices incentivise new LNG export investment. Proposed projects imply capacity growth of around 5-6 Bcf/day in 2026-2028, bringing total export capacity to over 20 Bcf/day by 2028.

US gas supply

Overall, while gas demand in the US has been strong over the past five years, it has been overshadowed by a rise in onshore supply, holding the gas price lower.

The supply side fundamentals for natural gas in the US are driven by three main moving parts: onshore and offshore domestic production, pipeline imports of gas from Canada, and LNG imports. Of these, onshore supply is the biggest component, making up over 90% of total supply.

US natural gas supply

Bcf/day	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026E
US natural gas supply:															
US (onshore & offshore)	65.7	66.3	70.9	74.2	73.4	73.6	84.3	91.4	91.1	91.8	97.4	102.5	101.8	106.5	110.6
Net imports (Canada)	5.4	5.0	4.9	4.9	5.5	5.8	5.4	4.7	4.4	5.1	5.6	5.2	5.8	5.8	5.7
LNG imports & other	0.8	0.6	0.5	0.5	0.4	0.3	0.1	0.1	-	-	0.1	-	0.6	0.6	0.9
Total supply	**71.9**	**71.9**	**76.3**	**79.6**	**79.3**	**79.7**	**89.8**	**96.2**	**95.5**	**96.9**	**103.1**	**107.7**	**108.2**	**112.9**	**117.2**
Supply growth	**2.4**	**-**	**4.4**	**3.3**	**- 0.3**	**0.4**	**10.1**	**6.4**	**- 0.7**	**1.4**	**6.2**	**4.6**	**0.5**	**4.7**	**4.3**
(Supply)/demand balance	**- 0.2**	**1.7**	**- 1.5**	**- 1.8**	**0.8**	**1.2**	**-**	**- 1.0**	**- 0.5**	**1.4**	**1.5**	**- 0.7**	**0.2**	**0.5**	**0.4**

Source: EIA; GS; Guinness estimates, July 2026

Since 2010, the weaker gas price in the US reflects growing onshore US production driven by rising shale gas and associated gas production (a by-product of growing onshore US oil production). Interestingly, the overall rise in onshore production has come despite a collapse in the number of rigs drilling for gas, which has dropped from a 1,606 peak in September 2008 to a trough of 68 in July 2020, before recovering to 134 at the end of March 2026. However, offsetting the fall, the average productivity per rig has risen dramatically since 2020 as producers focus their attention on the most prolific shale basins, whilst associated gas from oil production has grown handsomely.

The outlook for gas production in the US depends on three key factors: the rise of associated gas (gas produced from wells classified as oil wells); expansion of the newer shale basins, principally the Marcellus/Utica, and the decline profile of legacy gas fields.

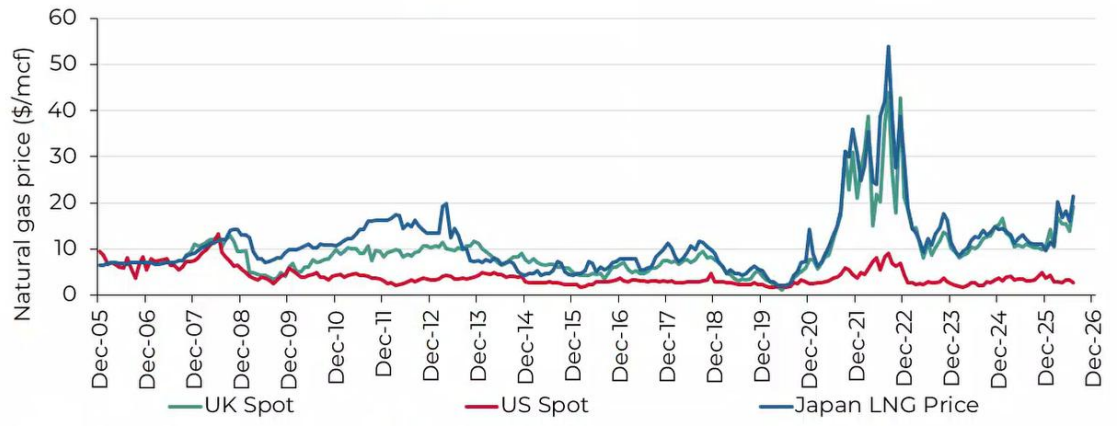
Associated gas production is expected to rise again in 2026 albeit at a slower pace (around 1 Bcf/day) than in 2022 (+5.5 Bcf/day) and 2023 (+3.6 Bcf/day). Lower supply growth is expected from onshore properties as weaker natural gas prices have brought a lower rig count and lower investment.

Outlook for US LNG exports – global gas arbitrage

In the short-term we have seen a spike in LNG prices, a response to Qatari natural gas being shut in behind the Strait of Hormuz. We expect the LNG market is going to be quite finely balanced over the next couple of years. In the event of moderate Chinese LNG demand and "normal" European winters, LNG supply and demand appear to be roughly in balance and global LNG prices appear to be fairly priced at around $10/Mcf. However, stronger Asian demand (including South Korea and Japan as well as China) or a colder than expected European winter could easily see LNG in tight supply and cause international gas prices spike, although it is unlikely that they revert to the $40-$50 levels seen in winter 2022/2023.

Looking further ahead, we see international gas prices settling in a $9-11/Mcf range. This price range should be sufficient to incentivise new US LNG supply to come online. It would also allow Europe to displace permanently almost all its Russian gas imports. An international gas price in the $9-11/Mcf is well down on the highs seen in 2022, but would leave the market at a higher price point than that seen in the few years prior to COVID and the Russian invasion of Ukraine.

Global gas prices

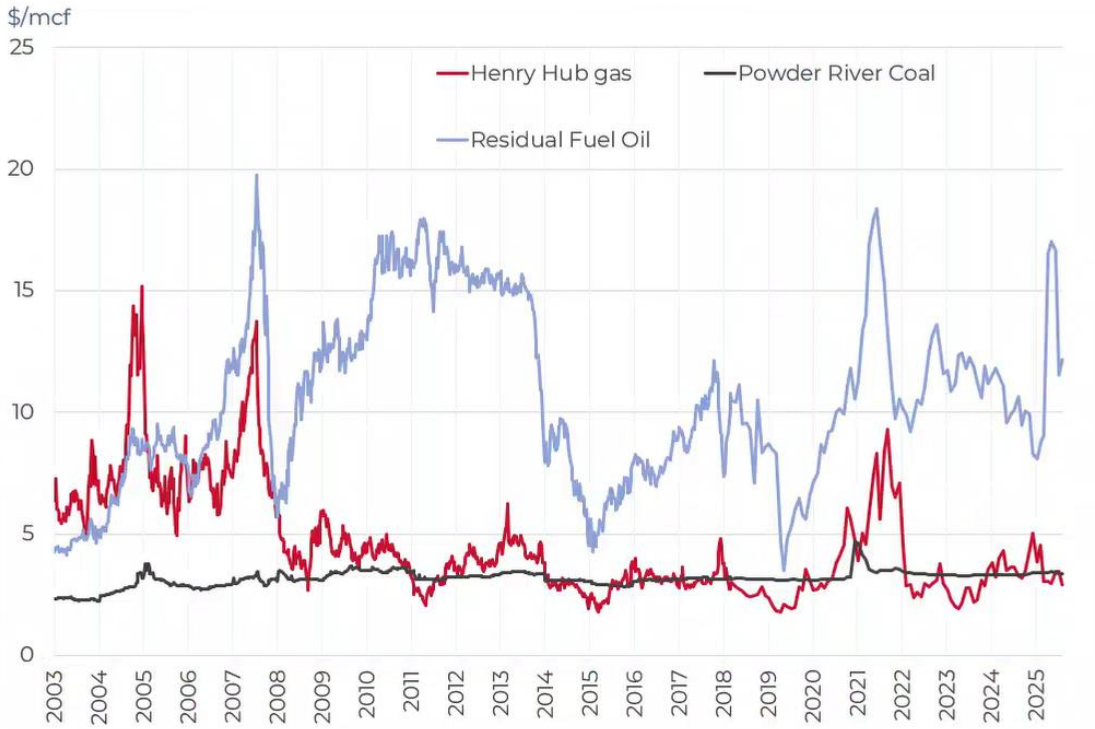


Source: Bloomberg; Guinness Atkinson, August 2026

Relationship with oil and coal

The following chart of the front month US natural gas price against heating oil (No 2), residual fuel oil (No 6) and coal (Sandy Barge adjusted for transport and environmental costs) seeks to illustrate how coal and residual fuel oil switching provide a floor and heating oil a ceiling to the natural gas price. When the gas price has traded below the coal price support level (2012 and 2016), resulting coal-to-gas switching for power generation was significant.

Natural gas versus substitutes (fuel oil and coal) - Henry Hub vs residual fuel oil, heating oil, Sandy Barge (adjusted) and Powder River coal (adjusted)



Source: Bloomberg; Guinness Atkinson, August 2026

Conclusions about US natural gas

The US natural gas price since 2010 has mainly fluctuated between $2 and $4/Mcf. The extremes of this range have tended to coincide with warm and cold winters, and any sustained recovery over $3.50/Mcf has generally been muted by strength in gas supply. With inflationary pressures, we estimate that new onshore supply has an incentive price of around $3.50/Mcf. Assuming normal weather in 2026, we expect a Henry Hub price at around this level.

Performance

The main index of oil and gas equities, the MSCI World Energy Index (net return), rose by 12.7% (in USD) in July, while the broader equity market, as measured by the MSCI World Index (net return), rose by 0.5%.

Within the Fund, the strongest performers were Equinor, Suncor, Repsol, Cenovus and Valero while the weakest performers were Halliburton, Williams Cos, Enbridge, Kinder Morgan and TC Energy Corp.

As of 7/31/2026	YTD	1 Year	3 Years	5 Years	10 Years
GAGEX	37.53%	47.31%	16.21%	20.58%	7.78%
MSCI World Index NR	10.26%	20.41%	18.12%	11.18%	12.72%
MSCI World Energy NR	33.57%	41.28%	15.90%	21.29%	9.35%

As of 6/30/2026	YTD	1 Year	3 Years	5 Years	10 Years
GAGEX	20.52%	33.78%	14.10 %	15.51%	6.01%
MSCI World Index NR	9.69%	21.34%	19.22%	11.47%	13.13%
MSCI World Energy NR	18.51%	28.45%	13.74%	16.92%	7.83%

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.

GAGEX

Guinness Atkinson Global Energy Fund

August 2026 Update

GUINNESS ATKINSON FUNDS

Top 10 Fund Holdings as of 7/31/26:

1.	Valero Energy Corp	5.45%
2.	Exxon Mobil Corp	5.25%
3.	Chevron Corp	4.77%
4.	BP PLC	4.66%
5.	TotalEnergies SE	4.61%
6.	Shell PLC	4.47%
7.	ConocoPhillips	4.25%
8.	Repsol SA	4.00%
9.	Suncor Energy Inc	3.99%
10.	Canadian Natural Resources Ltd	3.96%

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 oils 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.

Return on capital employed is a financial ratio that measures a company's profitability in terms of all of its capital.

Free cash flow yield is a solvency ratio that measures free cash flow per share against the market value per share. A high free cash flow yield indicates a company can easily meet its debt obligations and provide returns to shareholders.

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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