

Eagle Renewables Infrastructure

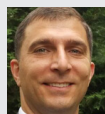
ABOUT US

- Located in Houston, TX
- Founded in 1996
- \$3.4B in AUM*
- 24 employees including 10 investment professionals
- 100% employee owned

INVESTMENT HIGHLIGHTS

- **Essential Infrastructure:** Renewables Infrastructure companies own or have interests in renewables or renewable-related infrastructure assets (i.e., wind, solar, electric transmission, hydro, biomass, etc.)
- **Income + Growth:** Compelling dividend yield supported by stable cash flows and long-term contracts
- **Energy Transition Megatrend:** Transition to clean energy will require multiple trillions of dollars to be invested over multiple decades
- **Historical Performance:** Renewables Infrastructure stocks have historically outperformed other yield-oriented investments

PORTFOLIO MANAGEMENT



Michael Cerasoli, CFA
Portfolio Manager
26 Years of Experience



Alex Meier
Portfolio Manager
25 Years of Experience

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*AUM data is inclusive of both discretionary and non-discretionary client assets.

Energy Infrastructure In The “Age of Electrons”

Apparently, we’re living in the “Age of Electrons”, which is different though an extension of the “Age of Electricity”. The “Age of Electricity” kicked off in the late 1880s at roughly the same time as the “Age of Oil”, which precipitated the decline of the “Age of Coal”. So, what is the “Age of Electrons”? The “Age of Electrons” is defined as the period in which electricity increasingly displaces the direct combustion of fuels. That seems mostly accurate to what is happening today, though we disagree with the word “displaces”. We believe the “Age of Electrons” is more about the centralization and redirection of energy consumption towards larger, more efficient, and cleaner generation.

However, more efficiency doesn’t mean energy demand will decline; it may simply mean energy demand will grow less fast. It also means electricity demand will grow much faster. All of this can’t happen without an enormous buildout of energy infrastructure, both traditional (e.g., natural gas) and renewable (e.g., wind, solar, hydro, geothermal, etc.). These conclusions and more rank among our biggest takeaways from reading the International Energy Agency’s (IEA) recently published Global Energy Review 2026. Below, we focus on two themes: (1) electricity demand is meaningfully outpacing energy demand, which itself continues to set records, and (2) renewable energy and natural gas are both critical to helping meet the needs of this rising demand.

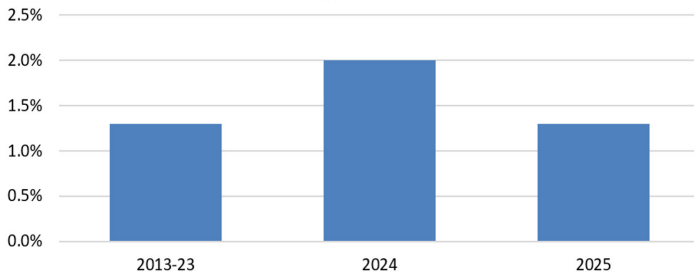


Source: ChatGPT

ENERGY DEMAND GROWS, ELECTRICITY DEMAND ACCELERATES

Global energy demand grew 1.3% in 2025, which, while below 2024’s 2% growth, still matched the average annual growth rate from 2013 to 2023. The IEA report pointed to slower growth in “energy-intensive industries in some regions”, lower temperatures that reduced cooling demand, and energy efficiency improvements. We’re quick to point out that while 1.3% growth doesn’t seem like a high number, it’s on a massive basis. Using total global energy consumption data from the Energy Information Administration (EIA), this implies an increase of roughly 6.7 quadrillion BTU’s of energy demand growth. Using best efforts and standard conversion rates, this implies the equivalent of either (1) 3.2 million barrels per day of oil, or (2) 17.6 billion cubic feet per day, or (3) the installation of 2.9 billion solar panels.

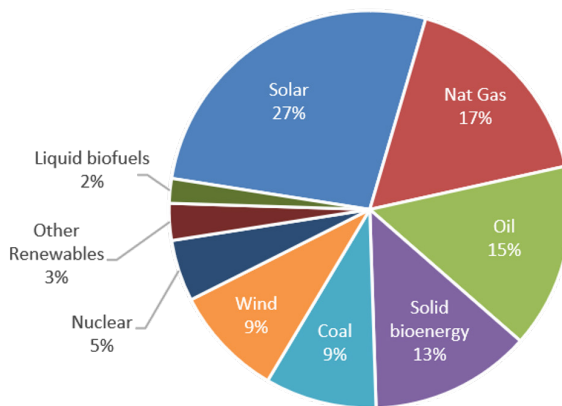
Global Energy Demand Growth



Source: International Energy Agency (IEA)

Therefore, merely matching the 10-year growth rate of energy demand (+1.3%) implies a large increase in energy supply. The IEA report also shows that the 2025 supply-demand gap was closed by a mix of energy sources, with oil, natural gas, and solar together meeting nearly 60% of the increase in energy demand. Interestingly, traditional energy (oil, natural gas, coal) and renewable energy (solar, wind, “other renewable”) each accounted for roughly 40% of the total, a surprise in their equivalency and also highly supportive of our view that the Energy Transition is in fact happening. In the end, though, humans consume more and more energy over time as we progress as a species, consistently outpacing efficiency gains. Declines that do happen tend to be economically driven, very temporary, and quickly reversed.

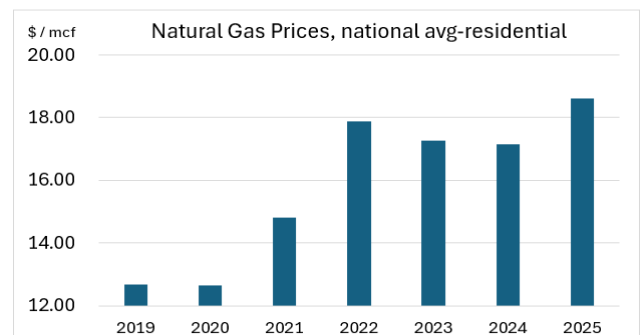
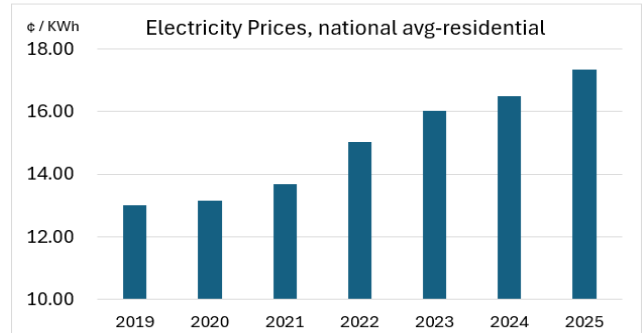
Share of Energy Demand Growth, By Source



Source: International Energy Agency (IEA)

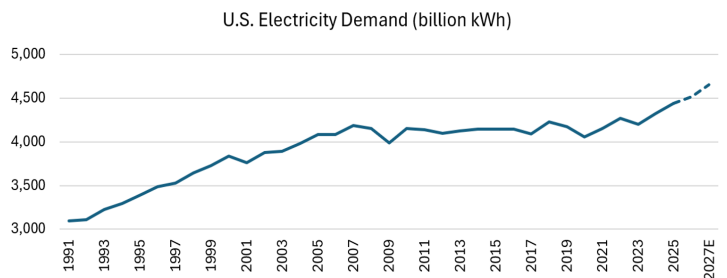
With this in mind, we are confident in our view that energy demand will continue to rise over the long term. On top of this is the reality that electricity demand is meaningfully outpacing overall energy demand growth. According to the IEA, global electricity demand grew around 2.3 times faster than energy demand. The report identified industry, household appliances, and commercial buildings as the primary drivers of this outsized growth rate. Interestingly, while the relative growth rates of electric vehicles (+38%) and data centers (+17%) were high, their contributions to total electricity demand remain too small to make an impact. In essence, the “Electrification of Everything” is about more than just artificial intelligence, though artificial intelligence likely represents the next step change in electricity demand growth.

This sets up extraordinarily well for energy infrastructure and its investors since we believe that today’s high electricity prices are mainly driven by shortfalls in energy infrastructure capacity. These high prices imply supply is being rationed to some degree. Furthermore, without a major buildout in energy infrastructure, we see a high probability that even higher prices may be needed to further ration supply.



Source: Energy Information Administration (EIA)

It wasn’t always like this. Not too long ago, we in the United States were approaching the end of a second decade of flat electricity demand growth. The United States and the world, for that matter, were lulled into complacency. That was then, this is now. Electricity demand in the United States is rising by roughly 2%-3%, after being roughly flat for nearly 20 years. Looking forward, the experts offer a wide range of estimates, all of them up and to the right. And the United States is more fortunate than the rest of the world in that it’s energy independent!



Source: Energy Information Administration (EIA)

Finally, compounding these issues is the Iran War and a geopolitical environment fraught with risk. A key realization by world leaders is that economies, both local and global, need to diversify their energy exposure. This can be achieved by diversifying the type of supply (e.g., natural gas, solar, wind, renewables) and / or the geography of supply. This is to say nothing of society's collective ambition to raise up the economies of the emerging markets, which itself requires a step change in energy consumption.

The good news is, the world has the supply needed to achieve its energy goals. *However, the real question is, can we build the required amount of energy infrastructure to connect demand and supply?* From an energy infrastructure perspective, it seems a bit of a win-win. In a scenario where energy infrastructure is built, the sector should see a generational increase in cash flows. On the other hand, in a scenario of red tape and delays, the value of currently operational assets rises significantly (i.e., the "scarcity premium"). Of course, we recognize multiple risks exist, though in a world of rising energy and electricity demand growth, we see no better investment opportunity in the market than energy infrastructure.

ENERGY RULES THE WORLD, THOUGH NOT NECESSARILY PERFORMANCE

We're halfway through 2026, and the RENEW Index (Bloomberg ticker: RENEW; FactSet ticker: RENEWINDEX) has posted a total return of +15.7%, which compares favorably to the S&P 500 (+10.2%) and Electric Utilities (+8.1%). While we've made the point that people once again recognize that energy rules the world, that sentiment appears to have not matriculated into stock price performance and valuations. The RENEW Index trades at a 22% and 17% discount to the S&P 500 and Electric Utilities on EV / EBITDA. We continue to be perplexed by this, considering the sharp increase in energy and electricity demand described above. The top second quarter performer among the S&P 500 sub-sectors was Information Technology (+31.6%), pushing it ahead of Energy on a year-to-date basis by 1.4%. Again, in a fast-changing and highly uncertain world the only constant seems to be energy demand growth, and yet Energy continues to be an afterthought for many investors when performance and valuation are considered together.

The silver lining to this frustration is energy infrastructure (both traditional and renewable) remains the best kept secret in the market. In our view investors have missed little, and that's our answer to a question we receive on a consistent basis ("Have we missed it?"). This is especially the case for what we believe is the bread-and-butter for energy infrastructure, the long-term focused, income-oriented investor that can look through the trees and see the forest.

RENEWABLES INFRASTRUCTURE TEAM UPDATE

There were no significant team-related news items to highlight this quarter. We continue to focus on the research and portfolio execution effort as well as our indexing initiative and are in constant dialogue with industry experts and management teams, both domestically and in Europe. We see the energy transition or de-carbonization megatrend continuing to gain traction among investors, supporting our view societal and political support are making renewable infrastructure increasingly inelastic to market forces.

We look forward to communicating the results of your investment next quarter, and thank you for your continued patronage and confidence in Eagle Global Advisors.

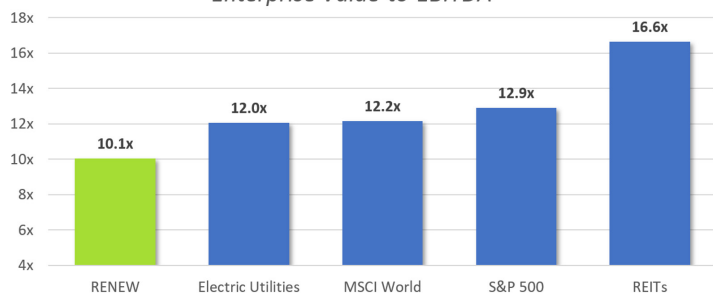
DISCLOSURES

The indices shown are for informational purposes only and are not reflective of any investment. They are unmanaged and shown for illustrative purposes only. The volatility of the indices are likely materially different than the strategy depicted. Eagle Global's Renewables Infrastructure Strategy includes buying and selling various renewables infrastructure companies. Holdings will vary from period to period and renewables infrastructure companies can have a material impact on the performance.

No Warranties. The accuracy and/or completeness of any Eagle Global Advisors index, any data included therein, or any data from which it is based is not guaranteed by Eagle Global Advisors, and it shall have no liability for any errors, omissions, or interruptions therein. Eagle Global Advisors makes no warranties, express or implied, as to results to be obtained from use of information provided by Eagle Global Advisors and used in this service, and Eagle Global Advisors expressly disclaim all warranties of suitability with respect thereto.

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Enterprise Value-to-EBITDA



Source: Bloomberg

EGA Renewables Income Composite
 October 1, 2017 through December 31, 2025

	2025	2024	2023	2022	2021	2020	2019	2018	2017
Total Return (%) Gross	38.21	(3.45)	(3.54)	(7.90)	2.01	55.79	33.87	(7.63)	4.96
Total Return (%) Net	37.21	(4.18)	(4.26)	(8.60)	1.25	54.67	32.89	(8.32)	4.76
Eagle Renewables Infrastructure Benchmark Total Return (%)*	40.42	(8.63)	1.33	(8.70)	(3.60)	35.50	33.06	0.08	0.65
Composite 3 Year Std. Dev.	19.22	21.24	19.24	22.74	19.67	18.95	N/A	N/A	N/A
Benchmark 3 Year Std. Dev.	18.56	21.07	18.96	21.34	18.12	16.88	N/A	N/A	N/A
Number of Portfolios	9	9	9	9	7	<6	<6	<6	<6
Composite Dispersion (%)	0.21	0.29	0.46	0.24	N/A	N/A	N/A	N/A	N/A
Composite Assets at End of Period (US\$ 000)	37,153	27,346	2,772	2,923	3,541	1,340	862	646	702
Total Firm Assets (US\$ 000)	3,077,377	2,428,076	1,940,943	1,700,514	1,911,969	1,571,232	2,279,115	2,632,277	3,561,407

* Benchmark: Eagle Renewables Infrastructure

- **EGA Renewables Income Composite** - The EGA Renewables Income composite consists of those equity-only portfolios invested in a concentrated portfolio of renewable infrastructure companies.
- For GIPS purposes, Eagle Global Advisors, LLC is an independent investment advisor, registered with the SEC, actively managing individual investment portfolios containing domestic equity, international equity, master limited partnerships, and domestic fixed income securities, (either directly or through a sub-advisory relationship), for mutual funds, high net worth individuals, retirement plans for corporations and unions, financial institutions, trusts, endowments and foundations. SEC registration does not imply a certain level of skill or training.
- Eagle Global Advisors, LLC claims compliance with Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with GIPS standards. Eagle Global Advisors, LLC has been independently verified for the periods 1/1/1997 to 12/31/2023. The verification reports are available upon request. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. Verification does not provide assurance on the accuracy of any specific performance report. GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein. Only direct trading expenses are deducted when presenting gross of fee returns. In addition to management fees, actual client returns will be reduced by any other expenses related to the management of an account such as trustee fees or custodian fees. The reporting currency is the U.S. dollar. Returns are calculated net of non-reclaimable foreign withholding taxes on dividends, interest, and capital gains. Reclaimable withholding taxes are not accrued, but are cash basis as received. Eagle uses the asset-weighted standard deviation as the measure of composite dispersion of the individual component portfolio gross full period returns around the aggregate composite mean gross return. The 3 year annual standard deviation and internal dispersion are calculated using Gross of Fees returns. If the composite contains 5 portfolios or less (<=5) for the full period, a measure of dispersion is shown as not meaningful (N/A) and the number of portfolios is not reported. Past performance cannot guarantee comparable future results. All investments involve risk including the loss of principal. This presentation is only intended for investors qualifying as prospective clients as defined by GIPS.
- The composite start date is October 1, 2017 and was created in 2020. The composite consists of separate accounts where the firm has full investment discretion, the portfolio contains over \$100,000 in renewable infrastructure companies, and the portfolio properly represented the intended strategy at the end of the calendar quarter. All performance returns assume the reinvestment of dividends, interest, and capital gains.
- The benchmark is the Renewables Infrastructure Index and is designed to track the performance of renewable infrastructure or renewable-related infrastructure assets, primarily wind, solar, hydro, biomass and electric transmission lines. Constituents are companies whose stocks trade globally in OECD countries. The index is a capped, float-adjusted, capitalization-weighted index developed by Eagle Global Advisors and disseminated real-time on a price-return basis (RENEW) and on a total-return basis (RENEWTR).
- The indices shown are for informational purposes only and are not reflective of any investment. As it is not possible to invest in the indices, the data shown does not reflect or compare features of an actual investment, such as its objectives, costs and expenses, liquidity, safety, guarantees or insurance, fluctuation of principal or return, or tax features. Indices do not include fees or operating expenses and are not available for actual investment. Indices presented are representative of various broad based asset classes. They are unmanaged and shown for illustrative purposes only. The volatility of the indices is likely materially different than the strategy depicted. Eagle Global's Renewables Infrastructure strategy include buying and selling various renewables infrastructure companies. Holdings will vary from period to period and non-renewables companies can have a material impact on the performance.
- The Eagle list of composite descriptions, limited distribution pooled funds, and list of broadly distributed pooled funds is available upon request. Eagle policies for valuing portfolios, calculating performance and preparing compliant presentations are available upon request.
- Net-of-fee returns are calculated using a model fee consisting of the largest fee in the fee schedule, taken quarterly.

Renewables Income Fee Schedule (minimum annual fee: \$2,500)	
Account Size	All assets
Annual Fee	0.75%