



## Hornet Infrastructure - Water Fund (EUR)

27th October 2016

### Investment style

The investment aim of the Hornet Infrastructure - Water Fund is **to achieve long-term capital appreciation** with lower volatility compared to equity markets.

The investment strategy pursues an active, **value-oriented investment style** without tracking a benchmark.

The fund invests **worldwide in infrastructure** companies with **stable cash flows**.

The fund is a "long only" structure and continually realizes and secures capital gains. The currency exposure is actively managed.

### Investment focus

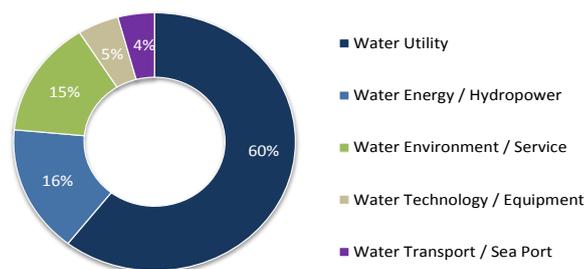
The fund invests its assets **solely in equity** of companies which are **active in the infrastructure sector**, such as water utilities, transportation, communication and social infrastructure facilities.

The focus is on **operational, regulated water utilities, which own the facilities** and for example **treat and distribute drinking water regionally** or which are active in energy production (hydro power) or water technology as well as in water environment & service.

### Fund details

<b>Net Asset Value (NAV)</b>	<b>EUR 977.99</b>
Fund volume / shares	EUR 23'674'204 / 24'207
Security number / ISIN	3.405.337 / LI0034053376
Fund domicile	Liechtenstein
Asset manager	GN Invest AG, FL-9490 Vaduz
Investment advisor	AC Partners AG, CH-6340 Baar
Depository bank	LLB Liechtensteinische Landesbank AG, FL-Vaduz
Administration	IFM Independent Fund Management AG, FL-Vaduz
Revision	Ernst & Young AG, CH-3001 Bern
Launch / Start	11th October 2007
Fund structure / Sales	OGAW / UCITS IV (since 3rd May 2013)
Management fee	1.5% p.a.
Depository bank / Admin. fee	0.15% p.a. / 0.175 % p.a.
Distribution	none (dividends are reinvested)
Subscriptions / Redemptions	weekly, each Thursday (16:00 CET)
Issue / Redemption price	Asset value per share (NAV + / - any commissions)

### Sector allocation



### Performance in %

	YTD 2016	1 year	2 years	3 years
Hornet Infrastructure - Water	10.88%	10.16%	14.42%	29.08%

Source: IFM / MSCI / Telekurs (fund performance after administrative costs resp. net)

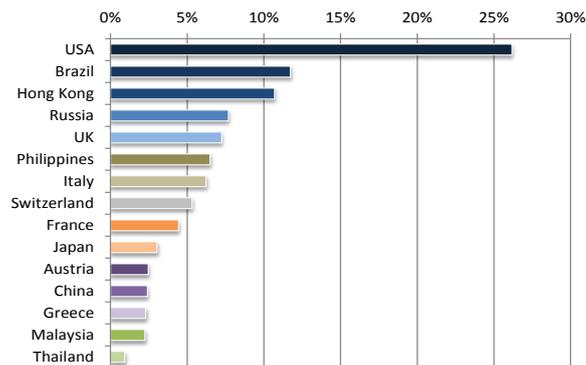
### Risk figures

	YTD 2016	1 year	2 years	since 2007
Volatility (annualised / p.a.)	13.37%	12.96%	11.82%	9.57%
Correlation vs. MSCI World	0.83	0.61	0.48	0.62
Portfolio Beta				0.67

### Risk profile

Risk profile	Recommended investment horizon
moderate	3 years
<b>medium</b>	<b>5 years</b>
high	7 years

### Country allocation



### Price performance in EUR / NAV



### The 10 largest equity positions

SABESP Sp ADR	7.19%
Guangdong Invest	5.20%
American Water Works	4.75%
Aqua America	4.62%
CEMIG Sp ADR	4.54%
Suez	4.45%
Novors Sp GDR Reg-S	4.17%
Acea	3.81%
American Sts Water	3.75%
Manila Water	3.62%

## General market review

The global equity markets continued to go up in October due to positive economic data. Despite the uncertainties associated with the US presidential elections and possible interest rate increases, the ISM Manufacturing Index rose again from 49.4 to 51.5 and indicates growth in the US industrial sector. Also the ISM Service Index, which measures the activity in the US service sector, went up significantly from 51.4 to 57.1 points. In Europe, the economic recovery is reflected more clearly in the equity indices, as the USD appreciated about 2% against the EUR. Passive investors, who are focused too much on common benchmarks and on costs, are currently less likely to benefit from economic growth, which particularly favors small and medium-sized companies.

## Market review Infrastructure

These favored companies also include most infrastructure companies, which are more likely to participate in economic recovery than larger index-members in other sectors, as they are able to benefit more directly and more efficiently from local economic growth. As local companies, the low economic sensitive and stable water utilities benefit from regional price increases. This is not only thanks to constructive and fair regulated return- & price mechanisms, but also because of the increased investment volume in sustainable infrastructure. The subsectors such as transport & energy still reflect the lower level of global trading activities, but could also outperform the broad stock market with the rising energy prices.

## GN Invest AG

Asset Manager  
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## Investment Portfolio

The NAV increase of +1.29% in October to EUR 977.99 and +10.88% YTD 2016 illustrates the positive environment for infrastructure investments. The utility companies, which are underestimated by the market mainly in the emerging markets, contribute significantly to the positive performance. In addition, the currencies in Russia and Brazil continue to go up and the rising USD is generally beneficial for the performance, although we are partially hedging the USD exposure against EUR in our portfolio. In the US, we currently benefit from the growth and pricing power in the Silicon Valley. Hence, the local water supplier SJW Corp. can capitalize on significant price increases after a long phase of consolidation.

## Portfolio position SJW Corp. / USD 51.09

SJW Corp. in San Jose / California, has recently achieved a market capitalization of more than USD 1 bn. The company, which has been operating since 1866, serves a population of around 1 mio with its regulated water infrastructure assets in both the Silicon Valley and Austin / Texas. The approved price increases of cumulatively +18.9% in the period 2013-2015 and +8.6% for 2016 allow the sales and profit figures to increase significantly after several years of consolidation. Although water consumption is in decline, earnings per share rose from 0.59 to 0.89 in the first half of the year compared to the previous year and thus contributing to a YTD performance of +71.94% after the recent price adjustments.

## AC Partners AG

Investment Advisor  
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