



Hornet Infrastructure - Water Fund (EUR)

27th June 2019

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 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

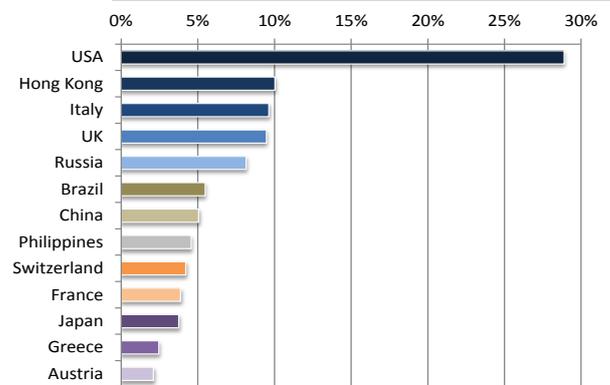
The fund invests its assets solely in **equity** of companies which are **active in the infrastructure sector**, such as water utilities, transportation, communication and social infrastructure facilities.

The **focus is on operational, regulated water utilities**, which own the infrastructure 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 & services**.

Fund details

NAV / Nettoinventarwert	EUR 1'096.92
Fondsvolumen / Anteile	EUR 32'772'679 / 29'877
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
Depositary 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 V
Management fee	1.5% p.a.
Depositary 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)

Country allocation



Performance in %

	YTD 2019	1 year	3 years	5 years	7 years
Hornet Infrastructure Water	9.84%	16.60%	15.64%	29.16%	51.46%
			4.96%	5.25%	6.11%

Source: IFM (fund performance cum. & p.a. after administrative costs resp. net of fees)

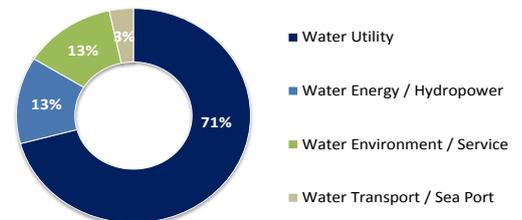
cum. p.a.

Risk figures

	YTD 2019	1 year	3 years	5 years	s. 2007
Volatility p.a.	8.79%	9.52%	8.58%	9.81%	9.25%
Correlation vs. MSCI World	0.68	0.16	0.44	0.82	0.82

Source: IFM Vaduz AG / Bloomberg data

Sector allocation



Risk profile

	Recommended investment horizon
moderate	3 years
medium	5 years
high	7 years

Price performance in EUR / NAV



— H Infrastructure - Water Fund (EUR)

The 10 largest equity positions

Aqua America Rg	5.6%
Guangdong Invest Rg	5.3%
American Water Works	5.3%
ACEA N	5.1%
RusHydro Sp ADR	4.9%
Hera Spa	4.5%
SJW Group	4.1%
SABESP Sp ADR	3.9%
Suez	3.9%
Kurita Water Ind Rg	3.8%

General market review

In June, global stock markets rebounded after the weak month of May. Thanks to the interest rate decision of the US Fed, which left interest rates in a range of 2.25% to 2.50%, the relative valuation of the stock markets have improved again. Inflation in the US, measured by the consumer price index (CPI), has fallen slightly to +1.8% from +2.0% in the previous month. The continued decline in the leading indicators for the global economy favor the defensive sectors in particular. In May, the global PMI for manufacturing dropped to 49.80 from 50.4 in April. The ECB also signaled loose monetary policy, should the economic data not improve. The EUR was up +1.8% against the USD over the reporting month.

Market review Infrastructure

Market participants' hopes for a moderate trade dispute between the US and China rose in the rally to the G-20 meeting. This particularly favored the cyclical infrastructure sectors such as transport and energy. Hydropower shares were also sought primarily in the emerging markets. This was after the oil price recovered significantly and the falling country risk premiums were reflected in falling interest rates. The water utility subsector had less catching up to do than the cyclical subsectors and increased with lower volatility.

Investment portfolio

The Hornet Infrastructure - Water Fund (EUR) NAV consolidated slightly -0.22% to EUR 1'096.92 in June after a strong month in May. This was mainly due to the negative exchange rate of the USD against the EUR, but also due to market risk hedging with index futures. The above-average decline in interest rates in the US and Europe has led to rising prices in our core positions, especially in Europe. From a relative perspective, we took advantage of this situation and reduced Suez in France at fair value. With proceeds, we have added a local water utility in California to our portfolio and thereby also increased our exposure in the US, where the regulatory environment is more constructive.

ESG (Environment-Social-Governance) - Sustainability

Sustainable investing is in vogue and accordingly the interest of investors, which want to invest e.g. with ESG criteria. With our focus on infrastructure water, our goal is not only to ensure one of the most important environmental elements for humanity, but with our investments, we have the long-term purpose of also making an active contribution to local and regional water treatment and distribution. While ESG criteria is mostly judging the different sectors from a relative perspective (best-in-class), we are already taking this one step further. As far as corporate governance is concerned, we also base our corporate analysis on the ratings of ISS, which we then model in the equity risk premium, depending on the classification. Over the last 12 years, we have made the experience, that integrated corporate culture and leadership are widely spread in our water utility sector and that long-term performance in terms of social responsibility, environmental development and economic development are closely related.

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