



Hornet Infrastructure - Water Fund (EUR)

24th June 2021

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 cashflows and **sustainable impact**.

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. and includes ESG-criterias in the research process.

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

Fund details

NAV / Nettoinventarwert	EUR 977.03
Fondsvolumen / Anteile	EUR 31'906'869 / 32'757
Security number / ISIN	3.405.337 / LI0034053376
Fund domicile	Liechtenstein
Asset manager	GN Invest AG, FL-9490 Vaduz
Investment advisor	AC Partners AG, CH-6330 Cham
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 V
Management fee	1.5% p.a.
Depository bank / Admin.fee	0.09% p.a. / 0.175 % p.a.
Use of proceeds	EUR 17.50 as of 05/03/2021 (ex. 29.4.)
Subscriptions / Redemptions	weekly, each Thursday (16:00 CET)
Issue / Redemption price	Asset value per share (NAV + / - any commissions)

Performance in %

	YTD 2021	1 year	3 years	5 years	8 years
Hornet Infrastructure Water	-4.35%	-9.74%	5.71%	4.85%	36.90%
Net annual average performance			1.87%	0.95%	4.00%

Source: IFM (fund performance cum. & p.a. incl. distribution and net of fees)

Risk figures

	YTD 2021	1 year	3 years	5 years	8 years
Volatility p.a.	11.14%	9.88%	11.86%	10.49%	10.28%

Portfolio Beta versus MSCI World	0.04	0.31	0.30	0.34
Alpha p.a. vs. MSCI World	-12.65%	-4.10%	-4.84%	-2.54%
Treynor-Ratio Portfolio	-3.25	-0.02	-0.06	0.02

Source: IFM Vaduz AG / Bloomberg data / Alpha = risk-adjusted outperformance

Risk profile

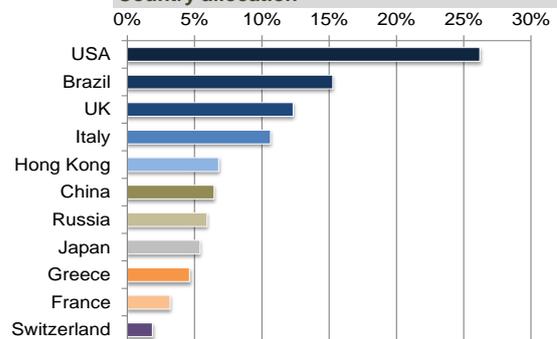
	Recommended investment horizon		
	3 years	5 years	7 years
moderate			
medium			
high			

Price performance in EUR / NAV

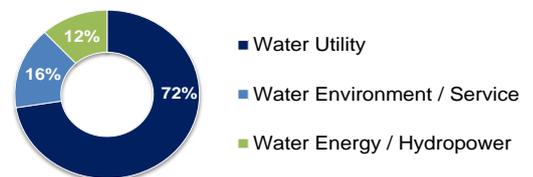


—H Infrastructure - Water Fund (EUR) / Total return

Country allocation



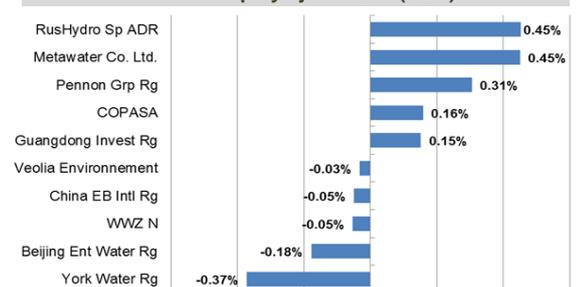
Sector allocation



The 10 largest equity positions

ACEA N	6.2%
York Water Rg	6.1%
RusHydro Sp ADR	5.9%
Middlesex Water	5.5%
COPASA	5.2%
SJW Group	5.1%
EYDAP Rg	4.6%
Severn Trent Rg	4.6%
SABESP Sp ADR	4.5%
Hera Spa	4.5%

Performance driver equity / june 2021 (EUR)



General market review

In June, global stock markets could no longer move with the same market breadth as they had in recent months. The US yield curve has recently flattened again, which has affected cyclical sectors such as finance and transportation relative to other sectors. After the extraordinary recovery since the pandemic low in 2020, the US Purchasing Managers' Index (PMI) may have marked a peak at just under 65 in March. In this environment, both the US Federal Reserve and the European Central Bank (ECB) decided against raising key interest rates and deviating from the current expansionary monetary policy. In the US, inflation figures are up +5% year-on-year as measured by the consumer price index (CPI) and in Europe by +2%. Since benchmark interest rates are being raised in countries such as Russia and having the expected inflation within or below long-term interest rates, currencies such as the RUB or the BRL were able to gain around 5-8% against the EUR. This on the back of a positive commodity price development after the currencies have devalued between 25-50% over the past few years.

Investment portfolio

A NAV of EUR 977.03 for the Hornet Infrastructure - Water Fund reflects, on the one hand, the relative independence and stability in relation to central bank policy and, on the other hand, a clear price / NAV discount to the overall market as well as to other asset classes, some of which are in significant premium situation. The valuations in the emerging markets are still well below those in the developed markets, which has to do with the uneven course of the pandemic, but also with the geostrategic uncertainties. The USD is currently benefiting from these uncertainties and was able to appreciate by around 2% in the month under review despite fundamental headwinds. Since the relevant currencies in the fund appreciate against the EUR, we can see a positive performance contribution from Rushydro (+0.45%) or Metawater Co. Ltd. (+0.45%) in Japan Copasa (+0.16%) in Brazil in the reporting month. Beijing Ent. Water with a high environmental impact in China does not yet show any price gains and contributes -0.18% to the performance - as does York Water with -0.37% in the USA, which corrects in the second half of the month.

Market review Infrastructure

The rise in inflation, classified by the market as temporary, led to a neutral performance of the global infrastructure sector in the month under review, although the transport and utility sector underperformed from mid-June. The cyclical sectors are already anticipating a large part of the economic recovery with valuations have risen in these sectors, albeit significantly less than in the infrastructure communications subsector. We see in the infrastructure communication subsector, that the low interest rates and the extremely high use of debt lead to extraordinary price increases, which deviate significantly from the historical and fair values. The now widely accepted investment thesis of digitization and increased data traffic is clearly reflected in these prices. In the infrastructure-energy subsector, the conventional companies are benefiting from the rising oil price, whereas the infrastructure-renewables subsector is likely to be in a consolidation phase.

Positive impact from Veolia S.A. / France

Why is the fund invested in Veolia S.A., France? Besides the good ESG ratings, we like the positive impact that the global company with its 178'894 employees in the water & waste business achieves for the environment and society. Veolia manages 3'362 drinking water production plants worldwide and supplies 95 million people with clean drinking water every day. At the same time, Veolia maintains 2'737 sewage systems and ensures that 62 million people have sustainable sewage systems, which makes a significant contribution to supporting the "Sustainable Development Goal" (SDG No. 6; Clean Water and Sanitation) of the UN Principles. Veolia participates directly in a further 12 SDGs. With its environmental business for 40 million people, it ensures, among other things, SDG No. 11 "Sustainable cities and communities" and efficiently processes 47 million tons of waste in 685 disposal plants, produces sustainable energy of 19'100 GWh and helps at the same time saving 12.8 million tons of CO2 (equivalent).

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