



Hornet Infrastructure - Water Fund (EUR)

30th September 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.

Fund details

NAV / Nettoinventarwert	EUR 971.92
Fondsvolumen / Anteile	EUR 29'353'928 / 30'202
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	-4.85%	-6.29%	5.21%	2.48%	32.68%
Durchschnittliche jährliche Wertentwicklung netto			1.71%	0.49%	3.60%

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.	10.62%	9.54%	11.86%	10.39%	10.35%

Portfolio Beta versus MSCI World	0.12	0.31	0.29	0.34
Alpha p.a. vs. MSCI World	-11.69%	-4.07%	-4.80%	-3.15%
Treynor-Ratio Portfolio	-0.73	-0.02	-0.06	0.00

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

Risk profile

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

Price performance in EUR / NAV



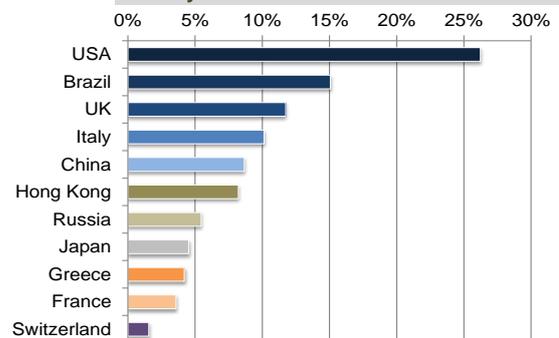
— H Infrastructure - Water Fund (EUR) / Total return

Investment focus

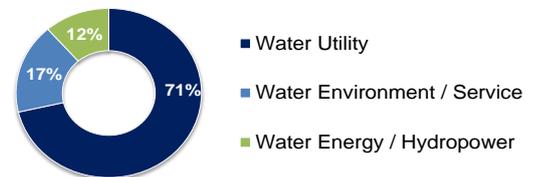
The fund invests its assets solely in **equity** of companies which are **active in the infrastructure sector**, such as water utilities, transportation, communication and social infrastructure facilities. and includes ESG-criterias in the research process.

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**.

Country allocation



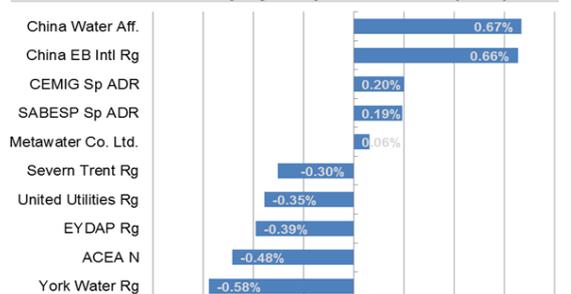
Sector allocation



The 10 largest equity positions

RusHydro Sp ADR	5.5%
Middlesex Water	5.3%
ACEA N	5.3%
SJW Group	4.9%
Severn Trent Rg	4.8%
York Water Rg	4.8%
Hera Spa	4.8%
SABESP Sp ADR	4.6%
Beijing Ent Water Rg	4.6%
COPASA	4.5%

Performance driver equity / September 2021 (EUR)



General market review

In the month of September, the global stock markets recorded a consolidation, which was triggered by increased inflation worries and statements by the central banks. Many raw material prices are rising due to the normalization of the global economy, such as the oil price, which has risen by around 60% since the beginning of the year. This contributes to increased producer and consumer prices and brings inflation up, also in Europe, namely in Germany with +4% year-on-year. In this context, the European Central Bank has decided to reduce its monthly bond purchase program from currently EUR 80 billion to EUR 50 billion by the end of March 2022. The US FED is also signaling its intention to reduce government and corporate bond purchases on the capital markets in order to take account of the improved economic environment. In this environment, the USD was able to appreciate against the EUR.

Investment portfolio

The Hornet Infrastructure - Water Fund (EUR) consolidated less than the market in the month under review and, thanks to its broader country diversification, it was more stable than passive indices. The low valuations in China and Brazil also contribute to this. In China, the portfolio positions are currently being driven by the market interventions of the Public Bank of China (PBOC) due to the uncertainties in the real estate markets as well as by the sector rotation into the area of environmental and water utilities. We expect this positive trend to continue, which could be supported by a possible political rapprochement between the USA and China. On the other hand, water utilities in the EU and the US made negative contributions to the infrastructure portfolio during the month under review.

Market review Infrastructure

As expected, the global infrastructure sector has relative advantages in this environment. On the one hand, the global economy continues to recover after the pandemic year 2020 and, on the other hand, the infrastructure-energy subsector, in particular, is benefiting from rising market prices. The price of the European CO2 emission certificate rose to a record value of EUR 62.85 and illustrates the tense situation on the energy markets. In the infrastructure-utility subsector, different performances were achieved because of the increased energy prices. However, higher electricity prices have a negative effect on local water suppliers, in the medium term, they come with a neutral effect through the regulated price mechanisms. Together with other technology sectors, the sub-sector infrastructure-communication consolidated more than the broad infrastructure sector.

What are we looking for in China?

The short answer is: the good. As part of our ESG analyzes, we find that many companies in China have a positive impact on society and strive for a respectful treatment of the environment such as the water in rivers: e.g. Beijing Enterprise Water. The company serves 5 million people with around 2,036 million cubic meters of water per year and processes 4,540 million cubic meters of wastewater in over 100 cities and 31 provinces. In addition to 2 seawater desalination plants, this is generated with 43 wastewater systems and 175 water supply systems. The company is reducing CO2 emissions from currently around 1 million tons per year by promoting renewable energies and circular systems. With regard to gender equality, the proportion of women is a high 35% versus 25% in the portfolio average. Our fund offers the opportunity to participate in 3 environmental and water utilities in China.

GN Invest AG

Asset Manager
Tel. +423 239 32 33

**AC Partners AG**

Investment Advisor
Tel. +41 41 711 10 20

