



## Hornet Infrastructure - Water Fund (EUR)

27th January 2022

### 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

<b>NAV / Nettoinventarwert</b>	<b>EUR 977.18</b>
Fondsvolumen / Anteile	EUR 28'447'664 / 29'112
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 2022	1 year	3 years	5 years	8 years
<b>Hornet Infrastructure Water</b>	<b>-5.89%</b>	<b>-4.10%</b>	<b>-5.81%</b>	<b>0.17%</b>	<b>31.36%</b>
Net annual average performance			-1.98%	0.03%	3.47%

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

### Risk figures

	YTD 2022	1 year	3 years	5 years	8 years
<b>Volatility p.a.</b>	<b>12.24%</b>	<b>10.28%</b>	<b>11.77%</b>	<b>10.51%</b>	<b>10.53%</b>

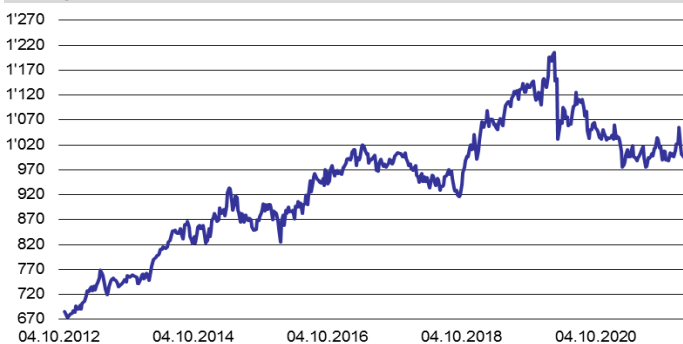
Portfolio Beta versus MSCI World	0.23	0.35	0.30	0.34
<b>Alpha p.a. vs. MSCI World</b>	<b>-10.71%</b>	<b>-9.17%</b>	<b>-5.34%</b>	<b>-2.85%</b>
Treynor-Ratio Portfolio	-0.28	-0.12	-0.09	0.01

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

### Risk profile

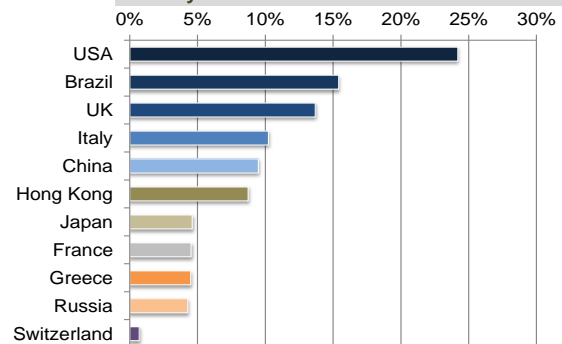
	Recommended investment horizon		
	3 years	5 years	7 years
moderate			
<b>medium</b>			
high			

### Price performance in EUR / NAV

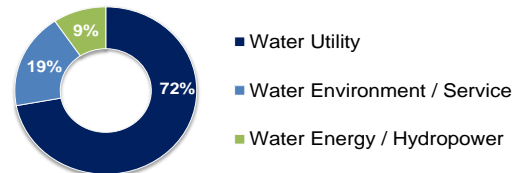


— H Infrastructure - Water Fund (EUR) / Total return

### Country allocation



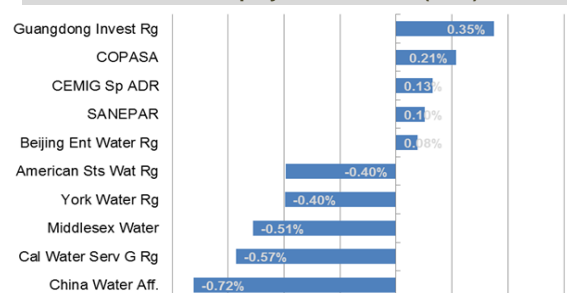
### Sector allocation



### The 10 largest equity positions

Severn Trent Rg	5.5%
ACEA N	5.2%
Hera Spa	5.0%
United Utilities Rg	5.0%
Beijing Ent Water Rg	4.9%
SABESP Sp ADR	4.7%
China Water Aff.	4.6%
Veolia Environnement	4.5%
China EB Intl Rg	4.5%
EYDAP Rg	4.5%

### Performance driver equity / Januar 2022 (EUR)



**General market review**

The stock markets started the year with an extraordinary performance in January. In the US, negative movement for the month under review ranged from -5.9% on the Dow Jones to -14.7% on the Nasdaq, with the broader S&P 500 Index also falling -9.2%. In contrast, the Brazilian stock market rose by +7.4% after the interest rate hikes for 2021 had already been priced into the market. In Asia, apart from Hong Kong +0.9% in local currency, Japan -7.2% and China -6.9% could not escape the adjustment. We partly see the high valuations in the sharply increased indices as the cause, which no longer have the same effect as last year due to the high inflation figures and the more restrictive central banks. In addition, sector rotation suggests that global economic growth will not replace pandemic-related digital growth, but will probably be better distributed, at least in terms of sectors and regions, especially if the pandemic weakens further.

**Investment portfolio**

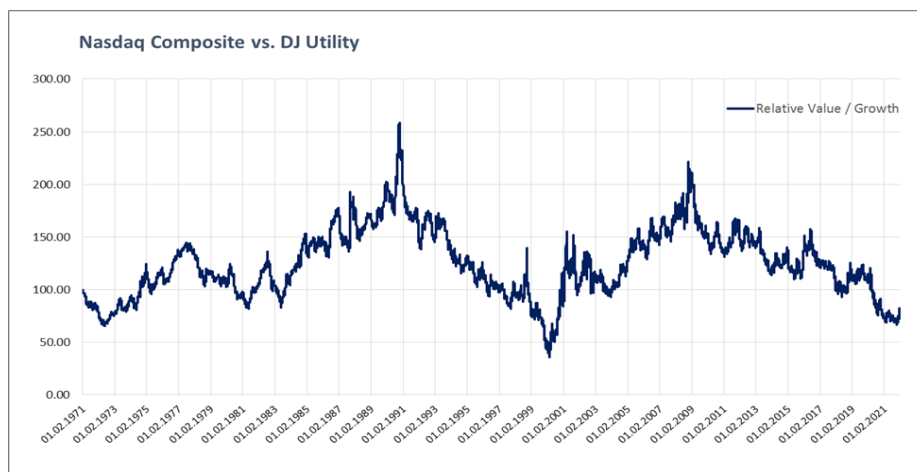
The NAV of the Hornet Infrastructure - Water Fund (EUR) could not completely escape the clearly negative reporting month of January 2022. On the one hand, the major setback had a short-term impact on all sectors, and on the other hand, the currencies in the emerging markets temporarily stopped their appreciation due to the geopolitical risks, particularly in western Ukraine. However, the portfolio positions in the emerging markets are able to develop relatively well given the drastic price movements in the USA and Europe. The water utilities in Brazil benefit from the valuation level, as do the Chinese. China Water Affairs can also launch a "Green Bond" and show that the sector attracts the interest of those investors, who want to achieve a good and ecological impact. After the surprise effect in January, the expected interest rate hike by the Fed should have little impact on the fund, as we saw in 2018, when the Fed raised the key interest rate from 1.5% to 2.5%.

**Market review Infrastructure**

We see that the global infrastructure sector is showing relative strength in the current market phase. This is not only due to the rising oil price, which rose by +16.9% in January, but also because of the higher price level in general, both benefited the traditional sub-sector infrastructure energy and the capital-intensive sub-sector infrastructure utility. This trend is also coming based on their economic development globally. Due to the valuation level, the latently rising interest rate level in the USA and Europe is less relevant for the infrastructure utility sector than for the infrastructure communication sub-sector, which has less pricing power. We expect the infrastructure sector to continue to outperform as the current market environment favors capital-intensive and long-term business models.

**Long-term rotation in value from growth?**

The chart below shows the relative value between the Nasdaq/Utility Index resp. the rotation phases over the last 50 years. The utility sector has historically performed better during periods of elevated inflation, over this period.



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