



## Hornet Infrastructure - Water Fund (EUR)

28th July 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 912.81</b>
Fondsvolumen / Anteile	EUR 25'898'245 / 28'372
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.
<b>Use of proceeds</b>	<b>EUR 19.25 as of 05/02/2022 (ex. 28.4.)</b>
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>-10.30%</b>	<b>-4.85%</b>	<b>-15.57%</b>	<b>-3.62%</b>	<b>12.71%</b>
Net annual average performance			-5.48%	-0.73%	1.51%

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>14.83%</b>	<b>12.78%</b>	<b>12.78%</b>	<b>11.21%</b>	<b>11.06%</b>

Portfolio Beta versus MSCI World	0.50	0.39	0.32	0.36
<b>Alpha p.a. vs. MSCI World</b>	<b>-8.54%</b>	<b>-11.99%</b>	<b>-6.32%</b>	<b>-4.63%</b>
Treynor-Ratio Portfolio	-0.16	-0.21	-0.10	-0.04

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

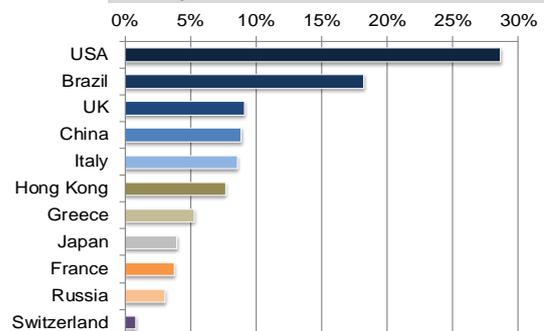
### Risk profile

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

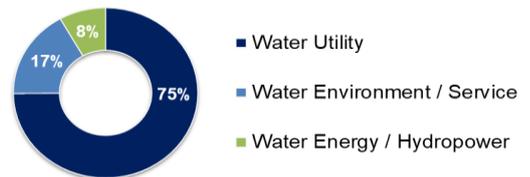
### Price performance in EUR / NAV (incl. distribution)



### Country allocation



### Sector allocation



### The 10 largest equity positions

SABESP Sp ADR	6.5%
COPASA	5.3%
EYDAP Rg	5.2%
SJW Group	5.2%
York Water Rg	5.1%
ACEA N	4.6%
Beijing Ent Water Rg	4.6%
Cal Water Serv G Rg	4.5%
CEMIG Sp ADR	4.3%
China Water Aff.	4.2%

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



**General market review**

In July, the global stock markets recovered significantly for the first time this year. The increase in the US FED fund rate by 0.75% to 2.5% improved the credibility of the central banks on the one hand and on the other hand reflects the long-term market interest rates more appropriately, which have fallen well below 3% again, in the USA. This was an environment that primarily supported growth stocks in the USA and their valuation levels. In Europe, the stock markets are also being driven by the energy companies and by relatively solid economic figures - against the background of the still high geopolitical uncertainties. The ECB was able to raise the key interest rate to 0.5%. However, this had a marginal effect on the EUR/USD development, especially since the trade deficit in the US also fell significantly to USD -85 billion as a result of the economic slowdown. The stock markets in China reacted disappointedly to the economic figures, which showed GDP growth of +2.5% versus +4.8% in the previous period and closed the month under review at -7% accordingly. One bright spot, however, is consumer demand in China. Retail sales are recovering after the various lockdowns.

**Investment portfolio**

The NAV of the Hornet Infrastructure - Water Fund (EUR) rose by +5.01% to EUR 912.81 in the month under review, also reflecting the attractive valuation. While the water suppliers in the USA and Brazil can develop well in terms of investment volume - albeit with volatile market movements - the companies in China have high valuation potential. In Europe, the water utility EYDAP in Athens makes an above-average contribution to performance thanks to its solid balance sheet and improved concession conditions, while the infrastructure companies in Italy are temporarily being influenced not only by the energy problem but also by political risks. Other notable portfolio positions include Brazil's Sabesp, Cemig and Copasa, which added +0.73%, +0.56% and +0.48% to performance over the month. Global currency allocation continues to have a positive impact on fund performance.

**Market review Infrastructure**

The global infrastructure sector continues to benefit from its good sector mix. While the infrastructure energy sub-sector is being driven by high energy prices, growth-oriented sectors such as infrastructure transportation are also able to recover in July despite economic headwinds. Infrastructure utility rose on market average and should also benefit from the recently falling market interest rates in the USA. Worth mentioning are the good company figures from the renewable energies sub-sector, which are all the more pleasing in the less sustainable political discussion about "windfall profits". EDP Renovaveis, for example, was able to increase its EBITDA by +49.2% from EUR 654 million to EUR 976 million in the first half of the year, with growth mainly coming from Europe, especially Spain, shows excellent growth figures. In the medium term, we do not assume that the high and necessary investment sums (capex) in the renewables sector will be slowed down by political disruptive maneuvers.

**Cemig - focus on renewable energy**

Cemig generates electricity with its hydroelectric power plants and supplies it to its customers mainly in the Brazilian state of Minas Gerais. The company is the largest electricity distributor in Latin America with a network length of more than half a million kilometers. From the company's strategy, which is now more focused on the main business, we expect an improvement in the quality of the balance sheet as well as higher returns on the capital employed in the medium term and higher growth rates through increased investments. In terms of sustainability, the rating agencies classify Cemig as a top investment. Despite the excellent total return of +44.3% (incl. cash and stock dividend) over the last 12 months (in USD), or +14.1% per year over the last 5 years, we see the stock's fair value as more than 50% above the current share price.

**GN Invest AG**

Asset Manager  
Tel. +423 239 32 33

**AC Partners AG**

Investment Advisor  
Tel. +41 41 711 10 20

