



Hornet Infrastructure - Water Fund (EUR)

23rd February 2017

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 cash flows**.

The fund is a "long only" structure and continually realizes and secures capital gains. The currency exposure is actively managed.

Investment focus

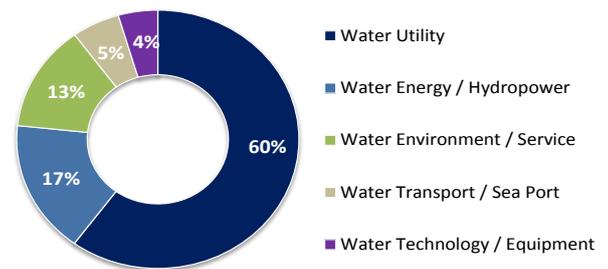
The fund invests its assets **solely in equity** of companies which are **active in the infrastructure sector**, such as water utilities, transportation, communication and social infrastructure facilities.

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

Net Asset Value (NAV)	EUR 1'010.38
Fund volume / shares	EUR 27'117'589 / 26'839
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
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 IV (since 3rd May 2013)
Management fee	1.5% p.a.
Depository 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)

Sector allocation



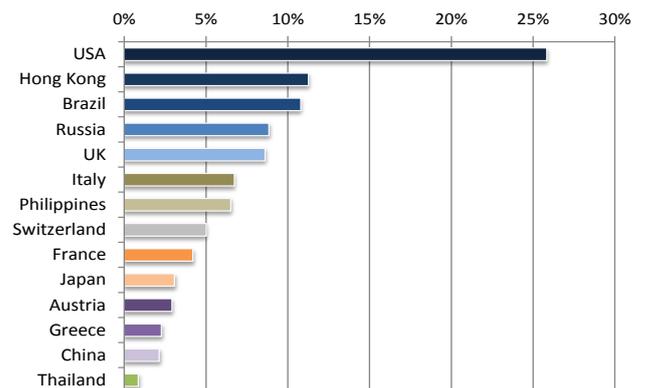
Performance in %	YTD 2017	1 year	2 years	3 years
Hornet Infrastructure - Water	3.78%	14.45%	13.08%	27.83%

Source: IFM / MSCI / Telekurs (fund performance after administrative costs resp. net)

Risk figures	YTD 2017	1 year	2 years	since 2007
Volatility p.a.	3.34%	9.85%	11.27%	9.44%
Correlation vs. MSCI World	0.89	0.88	0.60	0.67

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

Country allocation



Price performance in EUR / NAV



The 10 largest equity positions

SABESP Sp ADR	6.45%
CEMIG Sp ADR	4.82%
Novors Sp GDR Reg-S	4.48%
RusHydro Sp ADR	4.37%
Aqua America Rg	4.28%
Suez P	4.20%
Guangdong Invest Rg	4.10%
Pennon Grp Rg	4.10%
American Water Works	3.91%
American Sts Wat Rg	3.91%

General market review

Global equity markets continued the upward trend in February, driven by the US stock market. The positive economic data in the US meant, that the risk premiums in the corporate bonds segment have once again decreased by around 100bps versus the US Treasury. This constructive fact also applies to the investment class equities. A lower risk premium is important for their valuation and price development. In addition, both historical and expected inflation are rising. This has a positive effect on real assets such as equities, especially as the FED fund rate increases only moderately. The USD still shows relative strength.

Market review Infrastructure

The price development of the infrastructure sector is also continuing to rise in February, as the demand for constantly growing real assets with stable dividends increases worldwide. The development of the value increases parallel with the upturn in the economy, especially in the cyclical subsectors such as transportation and energy. In general, the sector shows additional drivers due to the fact, that the oil price is still stable and the central banks increases leading interest rates behind the inflation curve. In the water utility sector, we partially observe higher investment activity. This leads - in the medium term - to an increased utility network, which will generate regulated income.

GN Invest AG

Asset Manager
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Investment Portfolio

In February, the Hornet Infrastructure - Water Fund rose by +1.75% to a NAV of EUR 1'010.38, showing a performance of +3.78% YTD 2017. Although the USD is relatively strong, the positions in the emerging markets continued to develop positively. This underpins our thesis, that the macro data for our infrastructure sector will continue to improve in the countries, in which we are invested. Currently, the portfolio positions in China are experiencing a recovery. With fund inflows, we have increased positions accordingly as well as selectively in the US, UK and Europe.

Pentair Ltd / price USD 58.44

Pentair is active in the field of water technology & equipment in more than 40 countries. The company has grown historically by industrial companies, which improve the water usage and the flow / liquid control. Over the last few years, however, the share price development has been slowed by lower investments in the oil & gas industry. The management is now looking to reduce this exposure. We assume that a corresponding reorientation towards the more stable water utilities will also improve the balance sheet and together with the high operating cashflows the value for the shareholders, in the medium term.

AC Partners AG

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