



Hornet Infrastructure - Water Fund (EUR)

30th November 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 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

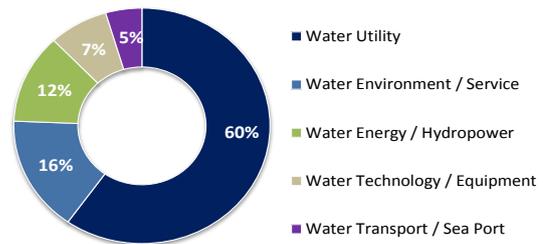
The fund invests its assets **solely in equity** of companies which are **active in the infrastructure sector**, such as water utilities, transportation, communication and social infrastructure facilities.

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 1'003.59 |
| Fund volume / shares | EUR 29'835'727 / 29'729 |
| 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 |
| Depositary 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. |
| Depositary 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 | 5 years |
|--------------------------------------|--------------|--------------|---------------|---------------|---------------|
| Hornet Infrastructure - Water | 3.08% | 3.49% | 11.51% | 16.99% | 47.73% |

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

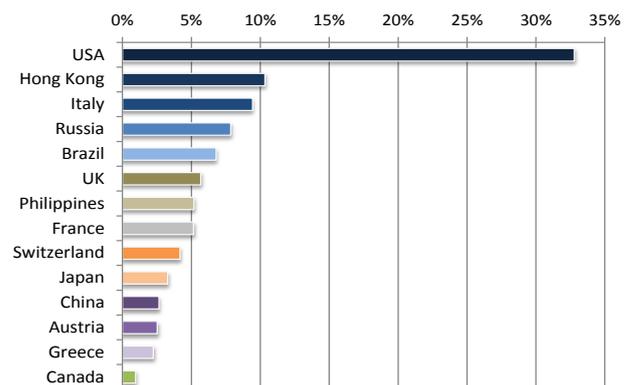
Risk figures

| | YTD 2017 | 1 year | 2 years | 3 years nce 2007 | 5 years |
|-----------------------------------|--------------|--------------|---------------|------------------|--------------|
| Volatility p.a. | 6.81% | 6.62% | 10.17% | 10.37% | 9.29% |
| Correlation vs. MSCI World | 0.71 | 0.74 | 0.91 | 0.82 | 0.75 |

Risk profile

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

Country allocation



Price performance in EUR / NAV



— H Infrastructure - Water Fund (EUR)

The 10 largest equity positions

| | |
|----------------------|-------|
| ACEA N | 5.68% |
| Suez | 5.15% |
| SABESP Sp ADR | 4.78% |
| Novors Sp GDR Reg-S | 4.53% |
| American Water Works | 4.39% |
| Aqua America Rg | 4.29% |
| American Sts Wat Rg | 4.07% |
| SJW Group | 3.84% |
| Hera Spa | 3.77% |
| China EB Intl Rg | 3.78% |

General market review

Global equity markets slightly consolidated in EUR terms in November, although the US economic data surprised on the upside, with GDP growth of +3.3% in the third quarter of 2017. However, the EUR rose by around +2% against the USD during November, respectively the USD weakened. This is based on the fact, that the economic growth rates are converging more and more of the relevant countries in Europe. While industrial production in Germany and France is already running well, Italy's GDP growth of +1.8% is at its highest level since 2011. This is achieved at a moderate rate of inflation of +1.4%. In the US, price pressure is slightly higher at +2% in terms of annual inflation.

Market review Infrastructure

The global infrastructure sector closed slightly down in EUR in the month of November. This was mainly due to the weaker USD. However, the flattening yield curve in the United States is relatively beneficial for the global sector. For the long duration infrastructure investments, long-term maturities are generally favoured, so that the interest rate risks on the short-term end are muted with regard to the Fed fund rate hikes in the US, respectively change into positive with falling long-term rates. The currently good economic climate lead the transport sector to rise above average to a new high in November. We can also expect an increase of investment activity in the US.

Investment portfolio

Our Hornet Infrastructure - Water Fund (EUR) slightly consolidated to a NAV of EUR 1'003.59 and has achieved a performance of +3.08% YTD 2017. The USD continues to have a big impact on performance. The US water utilities improved further in the current investment environment, while the USD development is still negative. However, we have used the market environment to increase regulated utilities in both the US and Europe. In Italy, for example, we have done it with Hera Spa. As far as the Acea position is concerned, we saw a significant share price increase in November, also based on its attractive valuation. In the UK, the investment arguments have changed somewhat, so that we have reduced the allocation relatively in favour of other regions.

Acea N / price EUR 17.04

Acea is a regional utility company in Rome / Lazio with a market capitalisation of EUR 3.5bn. 40% of total EBITDA (2016: EUR 896.3 million) is generated from water supply. The future investment program of EUR 3bn by 2022 will lead to an above-average growth rate. 800 km of water and sewage network will be reworked by 2022 and 40 smaller purification systems will be built or renovated. On the power grid, which contributes about 35% of the EBITDA, 500'000 "smart meters" will be installed and the capacity is being increased on a length of 2'500 km. The share rose over +22% to EUR 17.08 in November.

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