



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

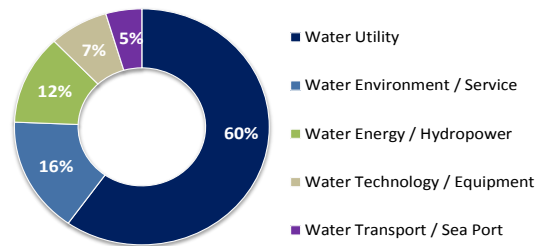
The fund invests its assets **solely in equity** of companies which are **active in the infrastructure sector**, such as water utilities, transportation, communication and social infrastructure facilities.

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)

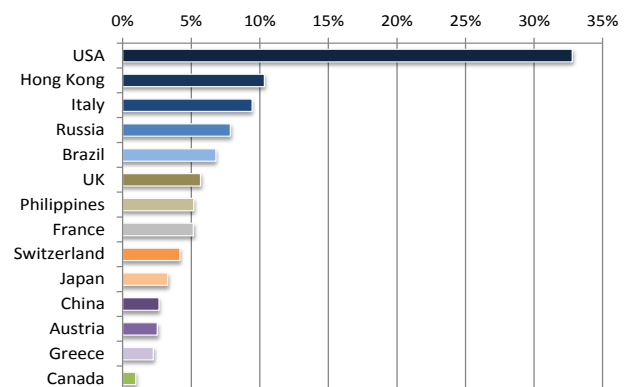
Risk figures

	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.

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.

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.

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.

GN Invest AG

Asset Manager
Tel. +423 239 32 33



AC Partners AG

Investment Advisor
Tel. +41 41 711 10 20



This document has been forwarded to you upon request. It is for information purposes only and does not constitute an offer to acquire, any investment advice or recommendation and it is not an independent financial analysis. It does not replace any individual and professional advice from an investment advisor. The information has been compiled with care. However, no guarantee can be given for the correctness and completeness of the information. The prospectus as well as the annual report from the HORNET Infrastructure - Water Fund (EUR) are available for free at GN Invest AG, Vaduz or on the homepage of the IFM Independent Fund Management AG (www.ifm.li). For a detailed risk explanation, please see our fund prospectus.