



Hornet Infrastructure - Water Fund (EUR)

31st August 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.

Fund details

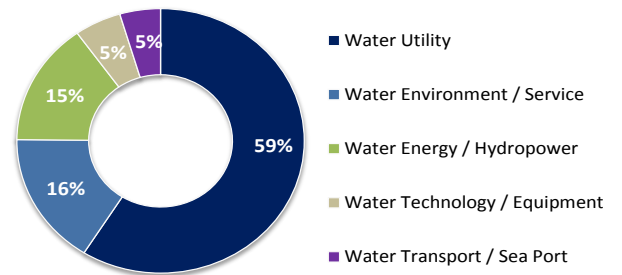
Net Asset Value (NAV)	EUR 983.28
Fund volume / shares	EUR 26'191'569 / 26'637
Security number / ISIN	3.405.337 / LI0034053376
Fund domicile	Liechtenstein
Asset manager	GN Invest AG, FL-9490 Vaduz
Investment advisor	AC Partners AG, CH-6340 Baar
Depository bank	LLB Liechtensteinische Landesbank AG, FL-Vaduz
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)

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.

Sector allocation



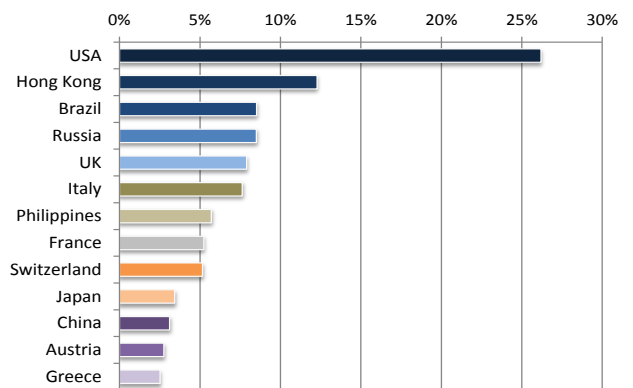
Performance in %	YTD 2017	1 year	2 years	3 years	5 years
Hornet Infrastructure - Water	0.99%	4.12%	15.84%	14.39%	39.30%

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

Risk figures	YTD 2017	1 year	2 years	3 years	ince 2007
Volatility p.a.	7.60%	8.27%	10.47%	10.67%	9.39%
Correlation vs. MSCI World	0.72	0.82	0.89	0.82	0.73

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	5.57%
Suez	5.24%
Novors Sp GDR Reg-S	4.53%
Aqua America Rg	4.29%
China EB Intl Rg	4.26%
Guangdong Invest Rg	4.23%
ACEA N	4.20%
RusHydro Sp ADR	3.97%
American Sts Wat Rg	3.96%
American Water Works	3.90%

General market review

Global equities markets continued to consolidate in August, measured by the MSCI World Index (EUR), which lost -2.06%. This was not only due to the weaker USD against the EUR, but also because of the slightly declining leading economic indicators in the US. In contrast, the Purchasing Manufacturing Index (PMI) in China improved for the third time, rising from 51.1 to 51.6 points. This signals an improved expansion phase of the Chinese economy. Also in Japan, the economy is growing stronger than it has been for many years. In August, its PMI improved from 52.1 to 52.8 points, which is mainly based on a growing dynamic in the industrial sector.

Market review Infrastructure

The infrastructure sector consolidated less than the broader equity market in August, as the transport subsector was able to recover after a period of higher volatility. Within the transport subsector, airport operators are still supported by the strong economy worldwide, so are the local tollroad operators, especially in Europe. Here, the economy is growing with a historically high growth rate of +2.1% on a year-on-year comparison. This is beneficial for the tollroad operators in terms of volume and turnover growth, particularly in Italy, France and Spain, along with the slightly rising inflation rate respectively the inflation protection included in the "pricing models".

GN Invest AG

Asset Manager
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Investment portfolio

Our infrastructure portfolio Hornet Infrastructure - Water Fund (EUR) with a focus on water utilities consolidated slightly by -0.19% in August to a NAV of EUR 983.28. YTD 2017, the performance is up by +0.99%. The stability of the infrastructure portfolio is based on the more attractive valuation versus overall market and the continuity of the operating cash flows of the water utilities. We use market-driven price opportunities to increase portfolio positions, particularly in the emerging markets, but also selectively in the USA, where interest rates are also flattening and falling. The USD hedge has positively contributed to the performance over the last few months. We now expect, the USD to deliver a positive performance contribution in the medium term.

China Everbright Int. / Kurs HKD 10.34

We have been investing in China Everbright Intl. / Hong Kong for several years. We made our first investment at around 5 HKD at the beginning of 2013 and have further increased over the last two years. The growing water & environment service company, with a solid balance sheet and high EBITDA margins, has an important and sustainable function in China within the water environment as well as the waste disposal sector. With a 41% stake, the Chinese state is a powerful co-investor and can support growth not only indirectly through economic and environmental programs, but also through its impact on regional market risks.

AC Partners AG

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