



Hornet Infrastructure - Water Fund (EUR)

28th September 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

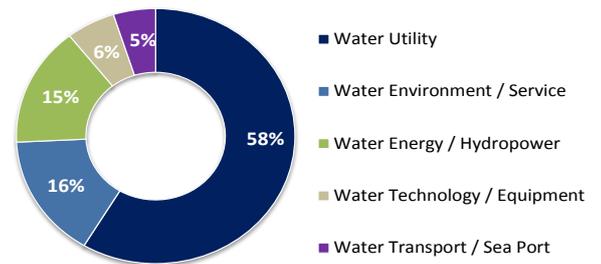
The fund invests its assets **solely in equity** of companies which are **active in the infrastructure sector**, such as water utilities, transportation, communication and social infrastructure facilities.

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 984.93
Fund volume / shares	EUR 26'319'300 / 26'722
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



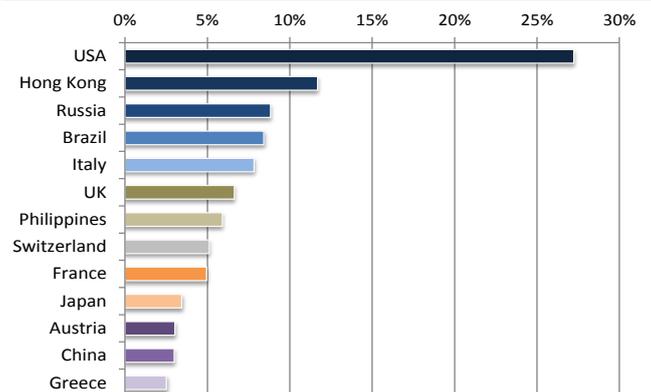
Performance in %	YTD 2017	1 year	2 years	3 years	5 years
Hornet Infrastructure - Water	1.16%	2.01%	13.54%	18.94%	41.81%

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.	7.31%	7.53%	10.36%	10.56%	9.36%
Correlation vs. MSCI World	0.69	0.75	0.89	0.83	0.74

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	5.62%
Suez	4.95%
Novors Sp GDR Reg-S	4.84%
ACEA N	4.48%
Aqua America Rg	4.29%
China EB Intl Rg	4.05%
Guangdong Invest Rg	4.04%
RusHydro Sp ADR	4.00%
American Sts Wat Rg	3.99%
American Water Works	3.92%

General market review

Global equity markets were up in September, after a longer consolidation phase. Investors refocused on the relevant fundamental data after some geopolitical disturbance maneuvers. The fact that the US Congress has worked more closely together after the hurricanes "Harvey" and "Irma" has also raised the sentiment of the markets, as well as the strong growth in the Eurozone. There, the total purchasing manager index rose to 56.7 points after 55.7 in August. In addition, the central banks in Europe, Japan and China still are in an expansion phase. Only the US Fed will slightly reduce the central bank balance sheet by the end of the year and will cut a maximum of USD 50bn a month from 2018 onwards. This monetary policy tightening lead also to a slight increase of the USD.

Market review Infrastructure

The infrastructure sector was not able to keep up with the sharp rise in the equities market and achieved a stable performance this month. The stable utility companies are less sensitive to short-term market and economic changes. On the other hand, the positive performance in the transport sector was supported by good data from durable goods orders. Port operators were also favored in the current economic climate. However, interest rates in the US suggest a slight economic downturn, which further increases the relative attractiveness of the infrastructure sector.

Investment portfolio

The NAV of the Hornet Infrastructure - Water Fund (EUR) rose slightly by +0.17% to EUR 984.93 in September. The portfolio positions in the emerging markets were in the short term not able to keep up with the performance of the developed countries. A slightly rising USD has also contributed to this. However, we are convinced by the improving fundamentals, such as falling interest rates and significantly lower inflation, especially for the Brazilian market, which is currently coming out from a recession, as well as for Russia and China. Our required returns for companies in China are +8.2%, in Russia +14% and in Brazil +16%. For this reason, the risk-adjusted, required portfolio return is +7.0%. As value-oriented investors, we invest in undervalued companies, so the expected portfolio return is currently +8.7% p.a.

Valmont Ind. / price USD 158.50

Valmont Industries is a classic infrastructure technology company serving the public utility as well as the private sector. The company has a leading market position by specializing in steel and aluminum constructions. The company ensures efficient water use in agriculture with its linear and centralised irrigation systems. After a long phase of price consolidation in the commodity markets, we are assuming that both agricultural and public sector spending will increase again, especially in the US.

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