



Hornet Infrastructure - Water Fund (EUR)

27th April 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.

Fund details

Net Asset Value (NAV)	EUR 1'008.96
Fund volume / shares	EUR 26'588'114 / 26'352
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)

Performance in %	YTD 2017	1 year	2 years	3 years
Hornet Infrastructure - Water	3.63%	11.21%	11.35%	23.82%

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

Risk figures	YTD 2017	1 year	2 years	since 2007
Volatility p.a.	8.11%	9.97%	11.16%	9.46%
Correlation vs. MSCI World	0.64	0.89	0.74	0.70

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

Price performance in EUR / NAV

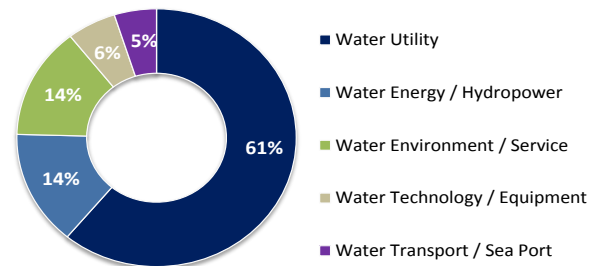


Investment focus

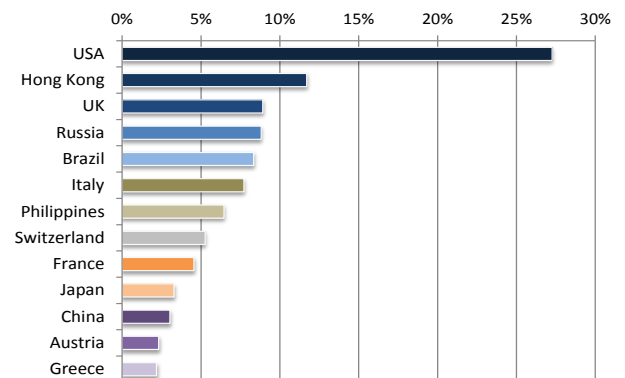
The fund invests its assets **solely in equity** of companies which are **active in the infrastructure sector**, such as water utilities, transportation, communication and social infrastructure facilities.

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



Country allocation



The 10 largest equity positions

SABESP Sp ADR	5.51%
Novors Sp GDR Reg-S	4.89%
Guangdong Invest Rg	4.69%
Aqua America Rg	4.60%
Suez	4.56%
ACEA N	4.47%
Pennon Grp Rg	4.29%
American Water Works	4.15%
RusHydro Sp ADR	3.94%
American Sts Wat Rg	3.93%

General market review

Global equity markets continue their positive trend in April. The European markets are picking up against the US indices, although the EUR has appreciated by +2% against the USD over one month. One reason for this is the positive economic development in Europe, especially in France, where the Presidential elections also point to a liberal and economic-friendly solution. In Europe, the political development is supported by the fact, that consumer confidence is further improving thanks to lower unemployment numbers. In the US, the positive sentiment on equity markets is based on solid top line growth with higher company earnings.

Market review Infrastructure

In the infrastructure sector, the stable water utilities were able to outperform the sector as well as the MSCI World (EUR), which consolidated in April. The more cyclical sectors such as transportation and energy have developed inconsistently and with regional differences. In Europe and Australia as well as in China, there is relative potential for catching up against the US. In the US, however, expectations for growth are high, but investment plans for 2017 are as constructive as they have been since 2000, measured by the Philadelphia Fed Index - Future Capital Expenditures.

GN Invest AG

Asset Manager
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Investment Portfolio

The Hornet Infrastructure - Water Fund (EUR) rose by +1.39% to a net asset value (NAV) of EUR 1'008.96 / YTD 2017 +3.63%. In April, the global portfolio improved against the background of the EUR strength, mainly from a CHF and USD perspective. At position level, Guangdong Investment, CK Infra both in Hong Kong, Manila Water on the Philippines have outperformed as well as Novorossiysk Commercial Seaport in Russia. The latter increased by +18.13% in USD after strong company numbers. On the local CH market, the stable and diversified utility company WWZ AG also improved impressively with a price increase of + 8.67%.

WWZ AG (Wasserwerke Zug) / price CHF 16'300

Like most local and regional (water) utilities, WWZ has a market capitalization of CHF 815 million. As a result, the company is not on the radar of passive investors, who invest pro-cyclically in market-weighted indices. As active investors, we like the value-oriented management and the balance sheet of 937.2 million, which consists of CHF 822.5 million equity (equity ratio of 87.8%) and generating a high operating cash flow of CHF 81.9 million. For 2017, its 125th anniversary, the normal dividend distribution of CHF 330 will be increased by CHF 125. The share price is already rising by +23.02% in 2017, and has improved by +50.04% in our portfolio (ex dividends).

AC Partners AG

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