



## Hornet Infrastructure - Water Fund (EUR)

30th March 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

<b>Net Asset Value (NAV)</b>	<b>EUR 995.15</b>
Fund volume / shares	EUR 26'165'479 / 26'293
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)

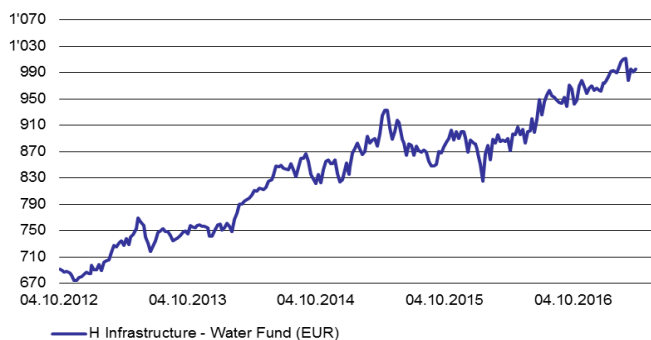
Performance in %	YTD 2017	1 year	2 years	3 years
<b>Hornet Infrastructure - Water</b>	<b>2.21%</b>	<b>11.86%</b>	<b>13.31%</b>	<b>24.37%</b>

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

Risk figures	YTD 2017	1 year	2 years	since 2007
Volatility p.a.	8.23%	10.35%	11.35%	9.47%
<b>Correlation vs. MSCI World</b>	<b>0.66</b>	<b>0.88</b>	<b>0.69</b>	<b>0.69</b>

Risk profile	Recommended investment horizon				
moderate	<b>medium</b>	high	3 years	<b>5 years</b>	7 years

### Price performance in EUR / NAV

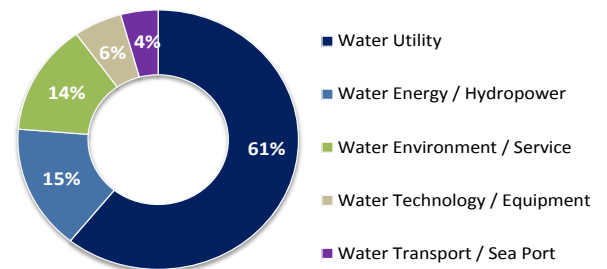


### Investment focus

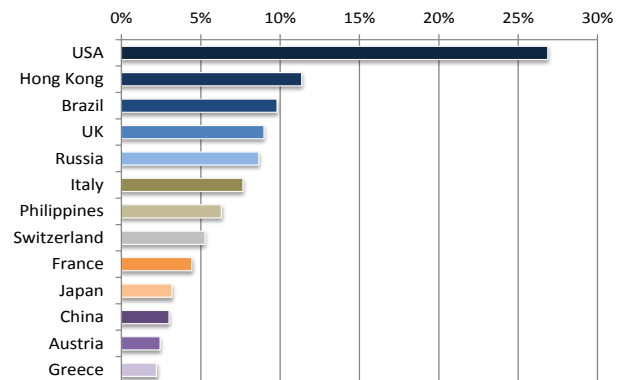
The fund invests its assets **solely in equity** of companies which are **active in the infrastructure sector**, such as water utilities, transportation, communication and social infrastructure facilities.

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	6.31%
Aqua America Rg	4.57%
Guangdong Invest Rg	4.47%
Suez	4.43%
ACEA N	4.38%
RusHydro Sp ADR	4.35%
Novors Sp GDR Reg-S	4.31%
Pennon Grp Rg	4.29%
American Water Works	4.13%
American Sts Wat Rg	3.88%

## General market review

In March, the global equities markets consolidated as measured by the MSCI World Index (EUR). This is mainly due to the political agenda in the US, which has led to increased volatility. On the other hand, the US consumer sentiment has continued to improve thanks to good labor market data. The US Fed increased its key interest rate only slightly by 25bps to a target range of 0.75% to 1.00%, despite the economic upturn and an inflation rate of +2.7%. As a consequence, some specific sectors in the US benefited, but also the equity markets in Europe. In the Eurozone, the sentiment indicators were also on the rise, such as the PMI Composite with 56.7 points, driven by the countries of Germany and France. The EUR went up by about 1.3% against the USD.

## Market review Infrastructure

In addition to positive economic data in Europe, the demand for durable goods in the US, which rose by + 1.7% on a monthly basis, was important for the infrastructure sector in the second half of the month. This has helped the more cyclical sectors. The emerging market positions were somewhat more volatile due to the falling oil price and due to the interest rate decision in the US. However, we have observed declining inflation rates in the emerging markets for months. In Brazil, inflation dropped from 9.4% to 4.7% and in Russia from 7.3% to 4.6%. This will be beneficial for the corresponding portfolios positions, as we expect the trend of falling interest rates in these countries to continue.

## GN Invest AG

Asset Manager  
Tel. +423 239 32 33

## Investment Portfolio

The NAV of the infrastructure portfolio consolidated by -1.51% to a value of EUR 995.15 in the month of March. YTD 2017, the performance is thus +2.21%. The market prices of hydropower companies such as Cemig in Brazil or Verbund in Austria were volatile mainly because of the falling oil price. However, the fundamental situation of the hydropower segment has improved, and we can assume selectively attractive turnaround situations in this area. After the price declines, our portfolio NAV has a consolidated and weighted discount of just under -10% versus our fair values of the individual portfolio positions. The expected return of the global infrastructure portfolio is currently +7.67%, with a consolidated P/E ratio of 13.03x.

## Suez SA / price at EUR 14.50

Suez SA is a water service & environmental company headquartered in France, providing services to the public sector worldwide, but also holds direct investments in water supply systems. The market capitalization currently amounts to approx. EUR 7.7 bn. The company wants to continue to grow in the field of industrial water and has announced the acquisition of GE Water at a price of EUR 3.2 bn. GE Water serves both US and global industrial customers of the chemical and energy sectors. Suez acquires new technologies and additional contracts for waste water treatment. The transaction is financed by new share capital, senior & hybrid debt and equity from a pension fund. This transaction increases the growth potential for Suez, but also the short-term risk profile.

## AC Partners AG

Investment Advisor  
Tel. +41 41 711 10 20

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