



Hornet Infrastructure - Water Fund (EUR)

27th May 2021

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 cashflows and **sustainable impact**.

The fund is a "long only" structure and continually realizes and secures capital gains. The currency exposure is actively managed.

Fund details

NAV / Nettoinventarwert	EUR 978.42
Fondsvolumen / Anteile	EUR 32'050'104 / 32'757
Security number / ISIN	3.405.337 / LI0034053376
Fund domicile	Liechtenstein
Asset manager	GN Invest AG, FL-9490 Vaduz
Investment advisor	AC Partners AG, CH-6330 Cham
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 V
Management fee	1.5% p.a.
Depository bank / Admin.fee	0.11% p.a. / 0.175 % p.a.
Use of proceeds	EUR 17.50 as of 05/03/2021 (ex. 29.4.)
Subscriptions / Redemptions	weekly, each Thursday (16:00 CET)
Issue / Redemption price	Asset value per share (NAV + / - any commissions)

Performance in %

	YTD 2021	1 year	3 years	5 years	8 years
Hornet Infrastructure Water	-4.21%	-8.41%	4.45%	10.58%	30.46%
Net annual average performance			1.46%	2.03%	3.38%

Source: IFM (fund performance cum. & p.a. incl. distribution and net of fees)

Risk figures

	YTD 2021	1 year	3 years	5 years	8 years
Volatility p.a.	11.46%	10.24%	11.85%	10.57%	10.31%

Portfolio Beta versus MSCI World	0.08	0.31	0.30	0.34
Alpha p.a. vs. MSCI World	-12.39%	-3.97%	-3.52%	-2.55%
Treynor-Ratio Portfolio	-1.21	-0.03	-0.02	0.02

Source: IFM Vaduz AG / Bloomberg data / Alpha = risk-adjusted outperformance

Risk profile

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

Price performance in EUR / NAV



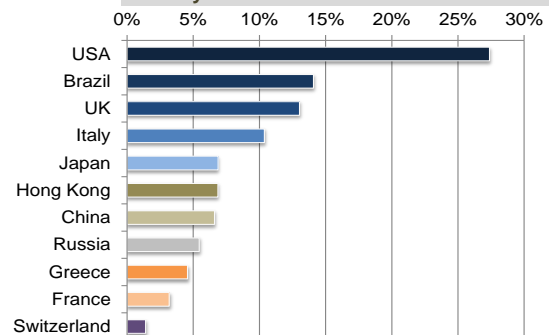
— H Infrastructure - Water Fund (EUR) / Total return

Investment focus

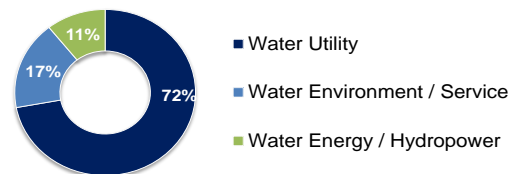
The fund invests its assets solely in **equity** of companies which are **active in the infrastructure sector**, such as water utilities, transportation, communication and social infrastructure facilities. and includes ESG-criterias in the research process.

The **focus is on operational, regulated water utilities**, which run the infrastructure facilities and for example treat and distribute drinking water regionally or being active in **energy production (hydro power) or water technology** as well as in **water environment & services**.

Country allocation



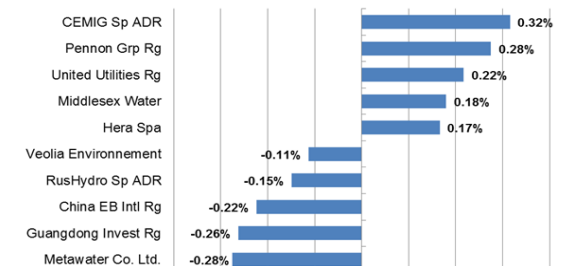
Sector allocation



The 10 largest equity positions

York Water Rg	6.4%
ACEA N	6.0%
RusHydro Sp ADR	5.5%
Middlesex Water	5.4%
COPASA	5.1%
SJW Group	4.9%
Pennon Grp Rg	4.6%
EYDAP Rg	4.6%
SABESP Sp ADR	4.5%
Severn Trent Rg	4.5%

Performance driver May 2021 (EUR)



General market review

The stock markets continued to trend positively in May as well, although the volatility, especially in technology stocks, has increased. The European stock markets were able to grow at an above-average rate of +2.4% compared also to most of the Asian markets. The increased inflation figures from the USA, measured with the CPI (Consumer Price Index) of +4.2% year-on-year (+3.6% expected), as well as the lower Durable Goods Orders of -1.3% in April and those in line with expectations coming economic data have led to a further weakening of the USD of around -1%. In contrast, the currencies in many important emerging markets were able to appreciate, and this with positive equity markets in the regions of South America, e.g. in Brazil with +5.6% or in China with +3.3%. The oil price remains in the range of USD 66-67bbl in the month of May with increased volatility.

Investment portfolio

In this environment, the NAV of the Hornet Infrastructure - Water Fund (EUR) remained unchanged at EUR 978.42 and is stabilizing in line with the water utilities in the UK and the positions in Brazil, such as Cemig. In the month under review, Cemig achieved the highest performance contribution with +0.32%, ahead of Pennon Group with +0.28% and United Utilities +0.22%, both UK. In contrast, the positions in Hong Kong / China are still suffering due to the economic situation, such as the water utility Guangdong Investment -0.26% and China Everbright Intl. with -0.22%, but also the Japanese position Metawater Co. Ltd -0.28%, whose good company figures are still little noticed by the market. We expect significantly higher performance contributions from China in particular, especially since the important portfolio positions are already entering the 7th year of consolidation and the valuations are well below those of the developed markets.

Market review Infrastructure

The infrastructure sector continues to reflect the global uncertainties of the COVID-19 pandemic with the associated economic constraints in certain areas and sectors. However, the infrastructure transport and infrastructure energy subsectors have benefited to an above-average extent from the relaxation of the COVID-19 measures announced and already implemented in many places. In contrast, the infrastructure communication and infrastructure utility sectors have suffered from emerging interest rate concerns. However, May showed again that, according to the "script", the currencies, such as the USD must first weaken significantly before the central banks respond with an appropriate interest rate policy and other monetary normalizations. Nevertheless, the global infrastructure sector fell slightly by -0.6% in EUR in the month under review.

Why are we reducing Kurita Water Industries?

The Japanese share Kurita Water Industries has developed impressively and very well over the last few years thanks to its focused corporate strategy and its innovative strength in the area of water treatment and services as well as thanks to international growth. We have built up the share since 2013 thanks to the company's good impact in the area of water treatment at an average cost of JPY 2'495. The stock is now trading at JPY 5'030. Our valuation model is currently showing a difference or premium compared to the fair value. As a result, we have started to reduce the position, also because of its more cyclical character, and thus to place the current focus in this investment cycle even more on the water utilities.

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