

Manager's monthly report

31 July 2023

General market review

The economic slowdown is increasingly having an impact on companies, which is now being reflected in the quarterly figures. Nevertheless, the US Fed and the European Central Bank are continuing to turn the interest rate screw. After their pause in June, the Fed raised the key interest rate by 0.25% at the end of July, as expected. However, with inflation still well above the 2% target, the Fed does not rule out a further tightening of monetary policy. The ECB has also decided on a further interest rate hike of 0.25%. Although the purchasing managers' index for the USA rose by 0.4 points to 46.4 in July, it is still at a recessionary level. In the euro zone, the purchasing managers' index (PMI) for industry fell from 43.5 to 42.7 points in July. This means that it has now been below the growth threshold of 50 for a year. The situation looks bleakest in Germany. There, the PMI slipped to 38.8 points. The official PMI of the Beijing statistics office has also been hovering around the 49-point level for months. The price development of the Shenzhen CSI 300 Index was a positive surprise in July. The Chinese index jumped +6.13%. The MSCI World closed the month at +1.82% and the S&P Global Utilities Index at +0.45% (all performance figures are in EUR).

Investment Portfolio

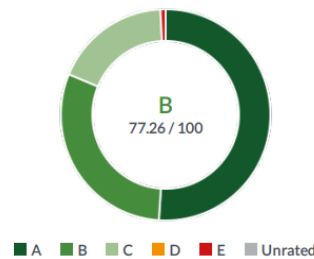
In July, the net asset value of the Hornet Infrastructure Water Fund (EUR) increased by 0.66% to EUR 901.70. This brings the annual performance to 2.43%. The portfolio currently consists of 25 positions. American equities represent the largest weighting with 25.70%, followed by Brazil with 18.17% and China with 14.54%. All EUR/USD exposure has been hedged until 25 October 2023. Most of the companies in our fund are protected against inflation either by their price/income structures or by their ability to pass on cost increases quickly. On the other hand, companies are unlikely to react to rising interest rates as their debt ratios tend to be low. Therefore, exposure to our fund provides excellent diversification for all investors over the medium term.

Transactions

The current positioning is the expression of a careful selection process, so that no major trading activities were carried out. The slowdown in the economy that we expect, combined with persistently high key interest rates, argue in favour of investments in this sector. We will continue to trade selectively. Cash held at the end of the month was 10.95% of assets, a slight increase from the previous month.

Sustainability data (as at 30.06.2023)

ESG Rating Distribution of Fund Holdings



Rating	In %
A	51.03
B	30.24
C	17.94
D	0
E	0.79
Unrated	0
Total	100.00

ESG Topic Performance



Rating Scale (0 = lowest value / 100 = highest value)

