

The AtonRâ Fintech Index is a long-only, USD-based, actively managed total return index. The pace of innovation in financial technology (Fintech) has been accelerating lately with notably the emergence of mobile payments.

This is just the beginning of a secular trend as technology and digitization are likely to reshape the financial industry with applications ranging from robo-advisers, P2P lending and money remittances to blockchain.

Banks and insurers will have no choice but to invest heavily as Fintech is expected to spark major operating efficiencies through increased automation and is also likely to lift the financial industry's revenue outlook through enhanced customer experience and engagement.

The investment universe is naturally composed of Internet and mobile financial platforms, payment networks and processors and hardware and software vendors. It can also include more traditional companies whose business model shifts thanks to Fintech innovations.

Main Features

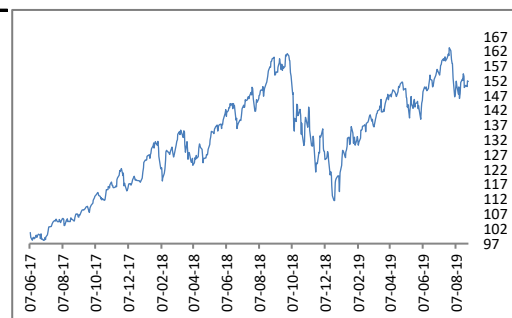
Asset Class	Equity
Inception Date	7-Jun-17
Currency	USD
Type of Return	Total Return
Ticker	NXSRFINT
ISIN	XS1365787230
Issuer	NATIXIS
Issue Price	100.0
Last Price	151.9
Sharpe Ratio	0.90
Correlation	0.80
Beta	1.63
Reference index	MSCI World Net Return

MONTHLY RETURNS (%)

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	ANNUAL
2019	10.9%	5.3%	3.1%	5.0%	-6.1%	7.2%	3.5%	-3.8%					26.8%
2018	11.9%	-3.2%	0.2%	-1.4%	9.0%	0.3%	3.0%	12.5%	1.1%	-15.1%	-2.5%	-10.2%	1.9%
2017						-1.4%	5.9%	2.2%	3.1%	5.8%	0.9%	0.3%	17.7%

HIGHS/LOWS

	Price	Date
All Time High	163.3	26-Jul-19
All Time Low	98.1	4-Jul-17



August 2019 highlights

The AtonRâ Fintech certificate lost 3.8% in August, underperforming the MSCI World Net Return by 1.8%. Year-to-date, it outperforms its reference index by 11.5% and launch-to-date (June 7, 2017 launch), it outperforms by 36.1%.

In our Libra report a few weeks ago we stated the following “Whether Libra take-off or not it comes as a wake-up call for the banking and financial industry that has to react or take the risk of being wiped out. We believe that Libra acts as a catalyst for our Fintech and Mobile Payment themes as it would speed-up the ongoing digitalization of payments and increased spending from legacy banks, neobanks, and fintech of any sort into financial software products.”

We did not have to wait that much to see the FED reacting with a Fed Real-Time Payment System that was revealed and that has the ambitious goal of offering instant payment processing by 2023/2024. We believe this initiative will further trigger reactions from banks (higher Capex) and is a definitively positive for our Mobile Payments and Fintech certificates in the short-to-mid-term.

Temenos announced its largest acquisition to date by swallowing US-based Kony for \$559M (at roughly 5.5X Sales) plus \$21M in earn-outs and included \$50M in debt. The acquisition is expected to be accretive in 2021 and add-up nicely to both Temenos' top line (low double-digits growth) and bottom line (30% to 35%). With this acquisition, the Geneva-based company reinforce its presence in the US and becomes the number 1 digital banking SaaS provider in the country while providing cross-selling opportunities for Temenos T24 Transact.

It seems that the low-interest-rate environment is going to last for many years and is going to boost the German mortgage market in the next future. On the back of such fundamentals, we had a closer look at **Hypoport**, one of the most successful company in digitalizing the credit, housing and insurance industry in Germany. Unfortunately, the stock is not liquid enough to enter our portfolio as only €2.5M trades daily vs. our \$5M floor limit and we continue to have a closer look into it should the float improves.

Hypoport has a network of independently run companies, highly linked and highly interacting with each other in four segments: Credit Platform, Private Clients, Real Estate Platform and Insurance Platform.

The Credit Platform segment includes the web-based B2B credit platform EUROPACE, which is the largest German marketplace (selling to banks and insurance companies) for mortgage finance, building finance products in addition to personal loans. The Private Clients segment focus on the brokerage of residential mortgage finance products for consumers and various financial products such as consumer loans, insurance, and banking products (e.g. instant-access accounts). The Real Estate Platform segment is about digitalizing the sale, valuation, and management of properties. The Insurance Platform segment relates to insurance technology. To this end, Smart InsurTech AG develops and operates a fully integrated platform for the sale and administration of insurance products.

Over the last five years the company grew its revenues and EBIT by 22% and 50% CAGR respectively. Ronald Slabke, CEO and major shareholder with 33.6% of the company, is executing flawlessly a well-defined strategy aimed at taking advantage of the robust housing market in Germany.

Top 3 Contributors

Name

PAGSEGURO DIGITAL LTD-CL A
GMO PAYMENT GATEWAY INC
FISERV INC

Worst 3 Contributors

Name

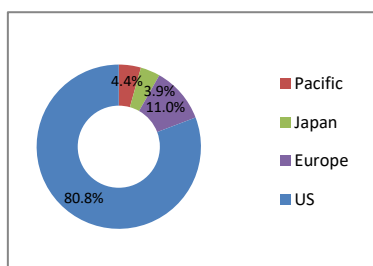
SQUARE INC - A
ENVESTNET INC
TENCENT HOLDINGS LTD-UNS ADR

Top 3 Holdings

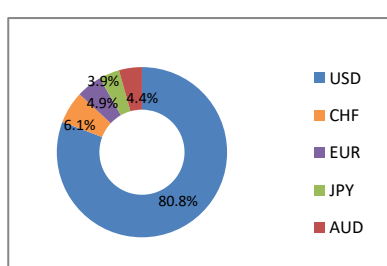
Name

PAGSEGURO DIGITAL LTD-CL A
SQUARE INC - A
PAYPAL HOLDINGS INC

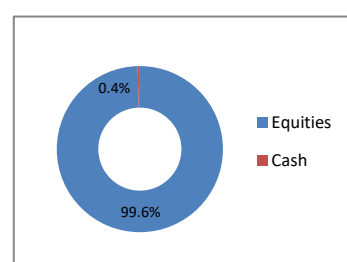
Geographical Breakdown



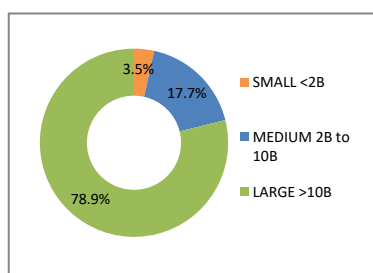
Currency exposure



Asset Allocation



Equity Market Capitalization



Equity Liquidity

1 to 3 days to liquidate*	100%
3 to 5 days to liquidate	0%
More than 5 days to liquidate	0%

*on average daily trading over the last 3M

Important Information

All net estimated returns are based on unaudited, internally prepared assessments and have not been independently verified.

The net estimated returns are subject to adjustments as a result of changes or delays in AtonRâ's calculations of the profit and loss of the portfolio. Any such adjustments could have a material impact on the estimated net returns of the AtonRâ Basket.

Net returns are reported after deduction of AtonRâ's management and/or performance fees.

Past performance is not indicative or a guarantee of future results. Investment losses may occur, and investors could lose some or all of their investment.

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Any indices cited herein are provided only as examples of general market performance and no index is directly comparable to the past or future performance of the Certificate.

It should not be assumed that the Certificate will invest in any specific securities that comprise any index, nor should it be understood to mean that there is a correlation between the Certificate's returns and any index returns.

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