

The AtonRâ Innovation is a long-only, bimonthly rebalanced, USD-based actively-managed certificate.

Innovation is becoming core in many industries, allowing companies not only to reduce costs thanks to automation but also to come up with new products, enjoy higher pricing power ("smart" products) and develop new business models (sharing economy...). This digital evolution has the potential to reshape markets faster than perhaps any force in history, with the spotlight being currently on the Internet of Things, cloud and big data, augmented and virtual reality, smart cars, artificial intelligence and fintech among others.

Through one single product it offers 90% exposure to a "Best-Of" basket of all the AtonRâ investment themes on an equally-weighted basis and 10% discretionary in upcoming new themes.

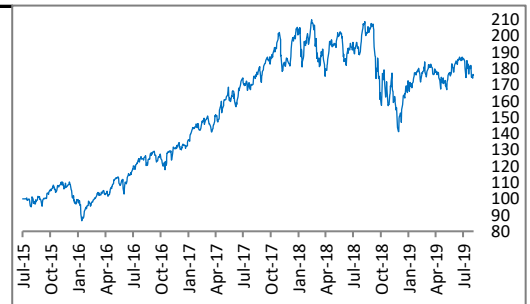
Main Features

Asset Class	Equity
Inception Date	24-Jul-15
Currency	USD
Type of Return	Total Return
Ticker	NXSRATRA
ISIN	XS0884325415
Issuer	Natixis
Issue Price	100.0
Last Price	175.6
Sharpe Ratio	0.66
Correlation	0.73
Beta	1.39
Reference index	MSCI World Net Return

MONTHLY RETURNS (%)

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	ANNUAL
2019	12.3%	4.4%	-0.4%	-0.3%	-5.1%	7.8%	1.6%	-4.9%					15.1%
2018	13.1%	-3.1%	-4.7%	-5.8%	7.9%	-3.8%	1.9%	9.4%	-0.5%	-18.1%	1.8%	-11.1%	-15.8%
2017	3.7%	6.2%	5.1%	0.1%	6.6%	-1.2%	6.5%	3.4%	1.7%	5.8%	-0.2%	-3.6%	39.1%
2016	-9.0%	-3.1%	7.6%	-0.0%	9.3%	-2.9%	9.9%	2.9%	3.9%	-3.7%	3.1%	2.2%	20.0%
2015							0.0%	-0.2%	-2.4%	8.5%	2.9%	-0.0%	8.7%

	Highs/Lows	Price	Date
	All Time High	209.7	12-Mar-18
	All Time Low	86.4	11-Feb-16



August 2019 highlights

The AtonRâ Innovation certificate lost 4.9% in August, underperforming the MSCI World Net Return by 2.9%. Year-to-date, it underperforms its reference index by 0.1% and launch-to-date (2015, July 24 launch), it outperforms by 42.8%.

The month of August was quite volatile as so much happened for the first time in the history of finance:

- The whole of the US interest rate curve dropped below 2%.
- The whole of the German interest rate curve dropped below zero.
- The 10yr Swiss government bond yields a mind-blowing -1.2%, a sure bet to make no less than 12% in capital losses by maturity.
- Across Europe, the EUR 50yr swap rate dipped below zero.
- Mortgage bonds are trading negative in Denmark (10yr maturities) and Germany (5yr maturities).
- UBS will charge the super-rich for cash deposits.
- A supposedly dull investment in an AA-rated Government bond returned 80% in 8 months in price appreciation, 100% in ca. 2 years.
- Austria 100yr 2.1% coupon bond, now yielding a generous +0.70%, for a prime government bond that raced faster than a penny stock at the IPO.
- \$16.4 trillion worth of bonds globally are trading at negative yields, approximately a third of all government bonds.

This environment is triggering a lot of nervousness in the equity market and could impact the real economy. Business confidence is quickly trending down, while consumers are remarkably resilient around the globe. Investor positioning remains light, while relative equity-bond valuations are rapidly approaching December 2018 levels. The current macro setup has more similarities to '15-'16 mid-cycle correction episode rather than to end of the cycle.

Despite macro and trade war risks, weakening demand in China and Europe, most of the companies delivered results in line to above with estimates. Interestingly, of the 211 companies that have guided their 2019 outlook in the US, 103 companies have raised their forecast. This 50% proportion is a substantial improvement over the last two quarters, and above its historical average.

A recession, of course, is possible over the next 12-18 months, but labor markets remain resilient, and there has never been a recession without a weakness in labor markets. Consequently, we think that consensus projections are likely too conservative and that there is room for a positive surprise, particularly if the global PMI momentum troughs in Q4.

On the portfolio itself some of our strong convictions and most notably **Biotelemetry**, **Square** and **Sarepta**, had suffered double-digit losses which explain the underperformance of the certificate vs. the MSCI World

We believe that the Fed will cut rates by another 25 basis points in its September 2019 meeting and ECB will restart its quantitative easing program. It is supplementary to their view of a 10bp rate cut and some communication around the introduction of the tiered reserve charging system for banks. PBOC is also likely to step up its policy action in response to the concerns around trade and the weak growth outlook. In Japan, Shinzo Abe is ready with tax cuts and fiscal measures as the country is revising the nation's constitution.

With helicopter's money just around the corner and undemanding equity valuations, we believe that Q4-2019 might shape-up completely different from Q4-2018 and our strategies are to benefit significantly from such an environment.

Top 3 Contributors

Name
INSULET CORP
SOLAREDEGE TECHNOLOGIES INC
PAGSEGURO DIGITAL LTD-CL A

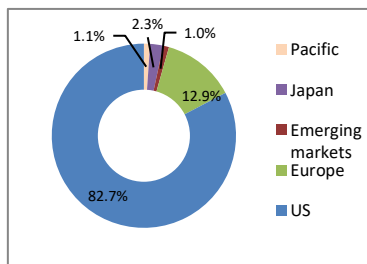
Worst 3 Contributors

Name
SAREPTA THERAPEUTICS INC
SQUARE INC - A
BIOTELEMETRY INC

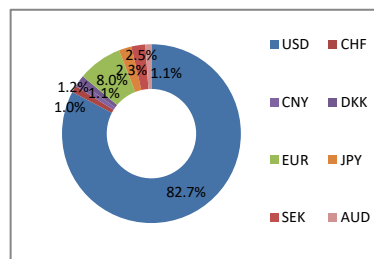
Top 3 Holdings

Name
INSULET CORP
EXELIXIS INC
BIOTELEMETRY INC

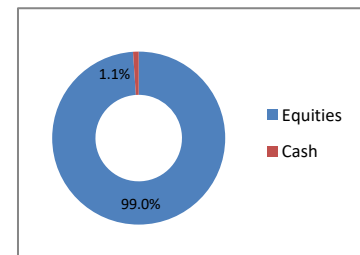
Geographical Breakdown



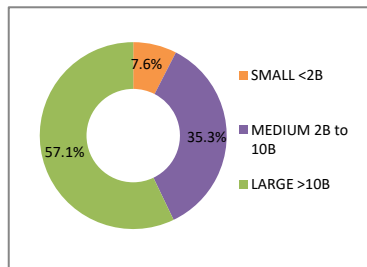
Currency exposure



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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