

The AtonRâ Mobile Payments is a long-only, monthly rebalanced, EUR-based actively-managed certificate. It aims to benefit from the expected rise of contactless payments around the world as consumers move to their smartphones and tablets for everyday purchases at the expense of cash.

While the mobile payment infrastructure is now in place (NFC-enabled phones and POS terminals, various payment platforms such as Apple Pay), we are about to enter the second phase of growth for the theme, which is mass adoption of payment solutions by consumers.

Indeed, the increasing marketing around payment platforms and the deployment of value-added services (such as rewards, loyalty and couponing) should give a major boost to consumer engagement over 2018-20. Longer term, powerful catalysts (in-car payments, virtual reality shopping, government incentives...) should make mobile payments ubiquitous.

Main Features

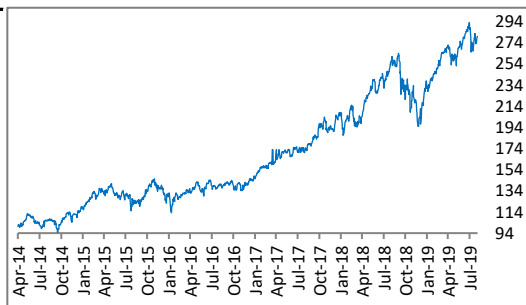
Asset Class	Equity
Inception Date	22-Apr-14
Currency	Euro
Type of Return	Total Return
Ticker (EUR Inst. Class)	IND1AMPE
ISIN (inst. Class EUR)	CH0239656462
ISIN (Retail Class EUR)	CH0239656603
ISIN (Retail \$USD Class)	CH0239657494
Issuer	Société Générale
Issue Price	100.0
Last Price	278.2
Sharpe Ratio	1.29
Correlation	0.82
Beta	1.20
Reference index	MSCI World Net Return (EUR)

MONTHLY RETURNS (%)

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	ANNUAL
2019	13.4%	5.3%	6.4%	4.5%	-3.7%	3.6%	6.2%	-3.3%					36.1%
2018	8.9%	-1.6%	-2.4%	2.8%	10.7%	0.0%	2.0%	11.7%	1.4%	-11.5%	-1.5%	-10.5%	7.5%
2017	4.3%	7.1%	2.9%	1.6%	4.1%	-1.4%	2.0%	2.4%	2.8%	8.8%	-1.2%	-1.6%	36.3%
2016	-5.6%	-1.5%	0.7%	0.7%	7.5%	-3.9%	2.7%	-0.5%	1.7%	-0.3%	-0.3%	-0.6%	0.0%
2015	6.1%	4.9%	4.8%	1.0%	6.5%	-8.9%	2.9%	-4.1%	-2.9%	9.4%	8.5%	-3.7%	25.0%
2014				0.2%	5.6%	2.1%	-6.1%	4.4%	0.0%	-1.1%	8.3%	-1.8%	11.4%

Highs/Lows

	Price	Date
All Time High	292.9	29-Jul-19
All Time Low	94.6	16-Oct-14



August 2019 highlights

The AtonRâ Mobile Payments certificate (EUR) lost 3.3% in August, underperforming the MSCI World Net Return (EUR) by 2.3%. Year-to-date, it outperforms its reference index by 17.3% and launch-to-date (April 22, 2014 launch), it outperforms by 101.2%.

We believe that a powerful catalyst for the Japanese Mobile Payments is just a few weeks ahead of us. Japan is to raise VAT from the actual 8% to 10% on the 1st of October and to prevent a repeat of the last increase (in 2014 the VAT was upped from 5% to 8% which in turn drove down Japanese GDP by 7.1% in the following 3 months), the Parliament has approved and enacted a JPY2 trillion of consumer and retail stimulus. The measures include retail vouchers for low-income shoppers and families but more significant, it will provide a 5% refund purchases from small and medium-size businesses if consumers pay via cashless payments.

We believe this might represent a significant catalyst for cashless payments in the country as cash remains king for small retailers, restaurants, and convenience stores where 80% of transactions are still made in cash. We also believe that the 5% refund purchase incentive to be enacted is to act as a real trigger for many Japanese which are still fearful towards credit cards and digital wallets in addition to educate its population.

With the great efforts already made by the PayPay, Line Pay and Rakuten Pay notably towards cashbacks and rewards, the country might finally get into the digital payments adoption with a bang.

On another note, **Apple** has started to roll out its Apple Card (something we had been writing in the past months) in partnership with Goldman Sachs (which will provide credit) and Masctecard (which will give access to its base of merchants) during August in the US. We believe that the cash-back program (3% vs. max 1% for physical card usage) offered by Apple will incentivize the use of Apple Pay. Additionally Apple's notorious sleek and innovative design, but also credit-card specific features as zero fees, lower interest rates, flexible repayments, easy on-line application, acceptance of "low scoring" profiles, cash-back incentives, improved reporting, etc. – all points to making it attractive and accessible to a broad base of consumers.

Square, our most significant position in Mobile Payments, performed badly as the company did not raise (something the Street got used to) its guidance, and it has decided to sell its **Caviar** (food delivery) app to **DoorDash** for \$440M in cash and DoorDash stock (during its latest round DoorDash was valued at \$12.6B). We believe that the company might revise its guidance upwardly once the Caviar sale is behind them and its renewed marketing efforts (notably on peer-to-peer Cash App which has 3.5M users and a key growth revenue driver for the company) start to pay-off. Despite the critics we believe it won't take long for the company to show it made the right decision to redeploy its efforts towards Cash App as its app is way more downloaded than not **PayPal's** Venmo as it truly gives to the unbanked a whole set of services that not Venmo.

Top 3 Contributors

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

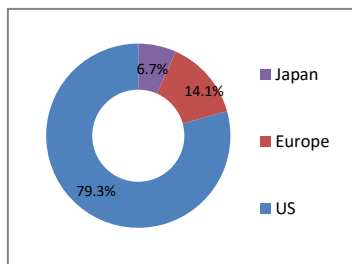
Worst 3 Contributors

Name
 SQUARE INC - A
 TENCENT HOLDINGS LTD-UNS ADR
 ADYEN NV

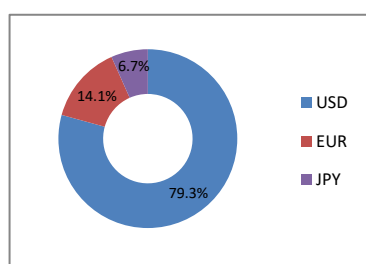
Top 3 Holdings

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

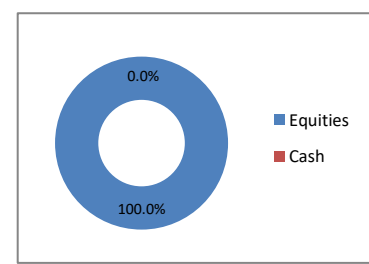
Geographical Breakdown



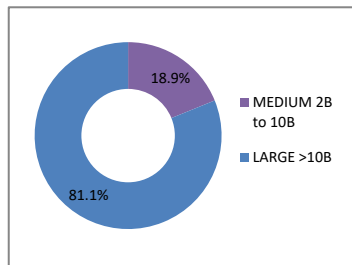
Currency exposure



Asset Allocation



Equity Market Capitalization



Equity Liquidity

1 to 3 days to liquidate*	93%
3 to 5 days to liquidate	6%
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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