

The AtonRâ Artificial Intelligence & Robotics certificate is a long-only, monthly rebalanced, USD-based actively-managed certificate.

Thanks to increasing computing power and big data, artificial intelligence (AI) has been expanding at a fast pace, with notably major advances in the fields of natural language processing and computer vision.

The development of the Internet of Things and of standard operating systems for objects and devices could give another massive boost to AI applications over coming years. With this, smart cars, smart homes and smart factories could become reality sooner than expected.

Specifically, collaborative robots could be a major field of application as software recreating the human thought process combines with mechatronic devices gradually becoming able to replicate the five human senses. Robot adoption should benefit from falling costs and from increasing labor costs in emerging markets that make them an attractive ROI proposition.

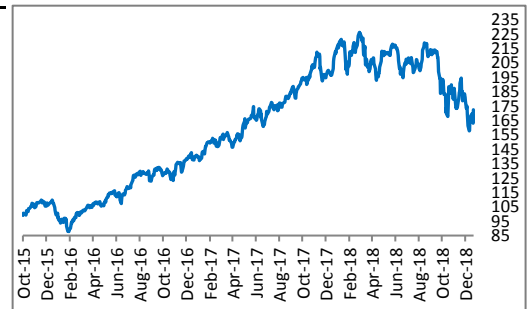
## Main Features

Asset Class	Equity
Inception Date	7-Oct-15
Currency	USD
Type of Return	Total Return
Ticker	NXSRARTI
ISIN	XS1035525325
Issuer	NATIXIS
Issue Price	100.0
Last Price	169.4
Sharpe Ratio	0.83
Correlation	0.68
Beta	1.31
Reference index	MSCI World Net Return

## MONTHLY RETURNS (%)

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	ANNUAL
2018	11.8%	-1.3%	-4.2%	-6.0%	7.7%	-5.4%	-0.3%	9.7%	-2.4%	-15.4%	6.2%	-11.2%	-13.7%
2017	2.9%	5.0%	5.2%	-0.9%	7.2%	-1.6%	5.3%	5.5%	2.4%	5.1%	3.2%	-2.8%	42.5%
2016	-9.8%	0.5%	8.0%	2.0%	6.5%	-0.8%	11.6%	0.5%	3.6%	-2.2%	3.5%	3.1%	27.9%
2015										3.6%	5.1%	-1.3%	7.5%

Highs/Lows	Price	Date
All Time High	226.2	12-Mar-18
All Time Low	87.8	11-Feb-16



## December 2018 highlights

The AtonRâ Artificial Intelligence & Robotics certificate fell 11.2% in December, underperforming the MSCI World Net Return by 3.6%. In 2018, it underperformed its reference index by 5% and launch-to-date (October 7, 2015 launch), it outperforms by 48.2%.

After a very tough year in the Artificial Intelligence & Robotics space, we are looking at 2019 and subsequent years with a constructive view.

Following the strongest ever growth recorded in 2017 (+30% Y/Y in terms of units sold) thanks to very strong demand from Asia and China notably (almost 70% of global demand), investments in industrial robots cooled down last year (expectations point to 5%-10% unit growth and flat revenue growth at best) due to protectionist trade measures that took center stage during the large part of 2018.

Despite the current trade war headwind, the automation trend is here to stay. For investors looking beyond the very short term, such a crisis might even represent a great opportunity to enter this theme at bargain prices as corporations across the world need to become even more efficient during economic slowdowns in order to remain competitive and protect their margins, something that automation makes possible. This is particularly true for regions such as the US, which are trying to keep manufacturing onshore and/or bringing it back from overseas locations.

When talking about robotics, the key is not only having more robots (and collaborative robots) installed, but rather smarter robots which are supervised by "intelligent" features such as predictive analysis, peer-learning, autonomous cognition... Hence, as for all our investment certificates in which we tend to favor the makers of pick & shovels, our Artificial Intelligence & Robotics certificate has been mainly exposed since its inception to the "intelligence" side of the theme at the expense of robots and hardware (servomotors, welding...).

In line with our long-term investment policy, we increased our exposure to Chinese names during the fall of 2018 and we might further increase it going forward for the following reasons:

- 1/ China is likely to increase its purchases of China-made industrial robots (only 30% currently),
- 2/ Valuations came down to levels which are hard to ignore (on average 0.5X PE/growth), even for the most cautious investors,
- 3/ Industrial robots purchases are expected to rise 10 fold in China in the next five to seven years due to the low density of robots in the Chinese manufacturing process (68 robots per 10K workers, one of the world's lowest density vs. 631 for South Korea, the world's highest).

While the geopolitical landscape and most notably the trade war could take time to clear out and could represent a short-term headwind, manufacturers around the world have no choice but to increase capex if they want to stay competitive. Automation represents both the short- and long-term answer.

### Top 3 Contributors

**Name**  
IFLYTEK CO LTD - A  
ALPHABET INC-CL A  
TWILIO INC - A

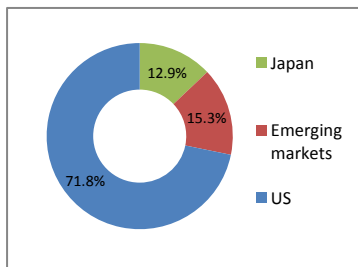
### Worst 3 Contributors

**Name**  
NVIDIA CORP  
ADVANCED MICRO DEVICES  
YASKAWA ELECTRIC CORP

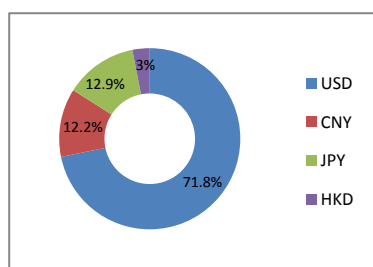
### Top 3 Holdings

**Name**  
XILINX INC  
ADVANCED MICRO DEVICES  
SPLUNK INC

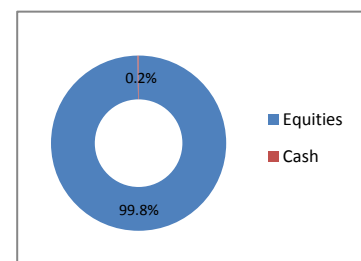
### Geographical Breakdown



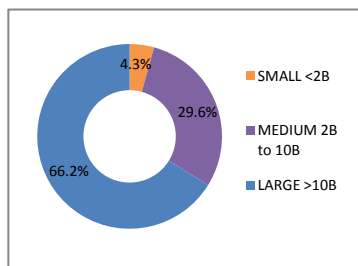
### Currency exposure



### 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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