

The AtonRâ Innovation is a long-only, monthly 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.

This portfolio gathers our top ideas among innovative technologies that are impacting current businesses and transforming the economy and can also include more traditional companies whose business model shifts thanks to innovation.

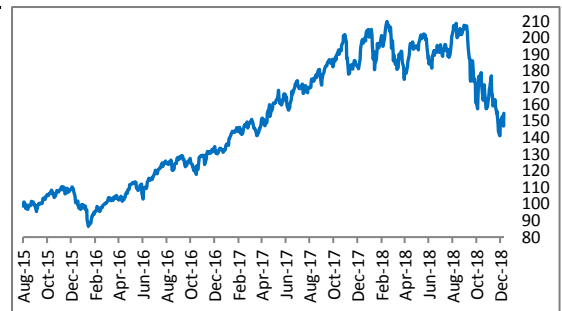
Main Features

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	152.6
Sharpe Ratio	0.59
Correlation	0.71
Beta	1.35
Reference index	MSCI World Net Return

MONTHLY RETURNS (%)

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	ANNUAL
2018	13.0%	-3.1%	-4.6%	-5.8%	7.9%	-3.8%	1.9%	9.4%	-0.4%	-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	-9.1%	-3.1%	7.6%	0.0%	9.3%	-2.9%	9.9%	2.9%	3.9%	-3.8%	3.3%	2.1%	19.9%
2015						0.0%		-0.2%	-2.3%	8.5%	2.9%	0.0%	8.7%

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



December 2018 highlights

The AtonRâ Innovation certificate fell 11.1% in December, underperforming the MSCI World Net Return by 3.5%. In 2018, it underperformed its reference index by 7.1% and launch-to-date (2015, July 24 launch), it outperforms by 37.3%.

The year that just ended was definitively the worst one in the almost 4-year history of the Innovation certificate. Heading into 2019, we believe that the markets are to remain volatile and fragile at least in the first quarter, and likely to get better as the year progresses.

The reasons that took the markets sharply down during the last quarter of the year have been well flagged, but one element that took us by surprise was the violent economic impact stemming from the US-China trade war and from Trump's rhetoric on many other important issues.

Economic indicators have been deteriorating pretty fast and what might have first looked as a benign geopolitical crisis is fast transforming into a self-feeding crisis of confidence with impressive consequences: \$75.5bn in outflows from US mutual funds and ETFs, the largest in history while the amount of money invested into short-term debt reached the highest level ever. December 2018 also saw the worst ever negative performance in stocks since 1931 and overall commodities cratered down.

Is there any good out there? Government bond yields across the world declined sharply and markets are starting to price rate cuts from the FED starting already in late 2019. Consumer sentiment is still holding up quite well but the key question is for how long as inflation expectations are starting to move sharply down...

The current geopolitical crisis has not altered in our view the long-term picture of all our themes and we remain convinced that technology, healthcare and renewable energies all offer great opportunities for investors looking beyond the short term as Tech plays an ever-increasing role in our daily lives, from commerce, education and health to energy and transportation among others. Automation and a better flow of goods and services through new and more efficient ways of transportation (think of IoT and sensors that are going to be everywhere) will also have a massive impact.

While we find it hard to call when the market will bottom, we thus strongly believe that the weighting of technology is to increase further in indices such as the S&P500 (currently around 30%). Noteworthy, money flows in technology and healthcare sectors were the only ones which recorded positive numbers in 2018.

Assuming a resolution of the US-China trade issue and a potentially accommodating FED and Bank of China in the making, the end of 2019 could look much different than what we are currently experiencing in the markets right now.

Top 3 Contributors

Name
 STMICROELECTRONICS NV
 WIN SEMICONDUCTORS CORP
 HAN'S LASER TECHNOLOGY IN-A

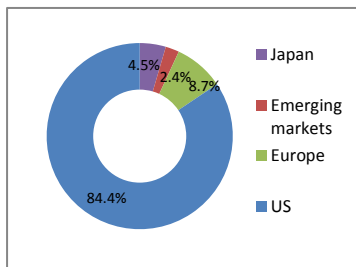
Worst 3 Contributors

Name
 SQUARE INC - A
 ADVANCED MICRO DEVICES
 NVIDIA CORP

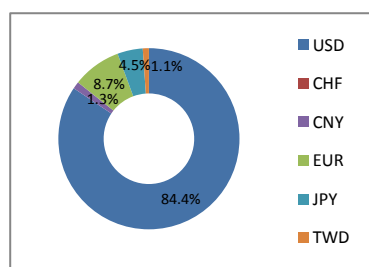
Top 3 Holdings

Name
 SQUARE INC - A
 ADVANCED MICRO DEVICES
 XILINX INC

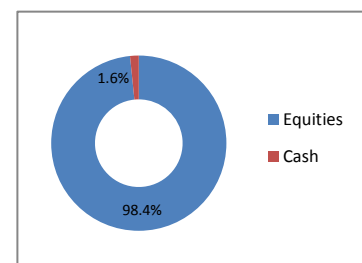
Geographical Breakdown



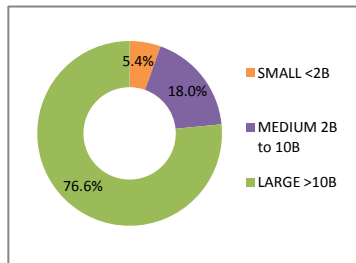
Currency exposure



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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