

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

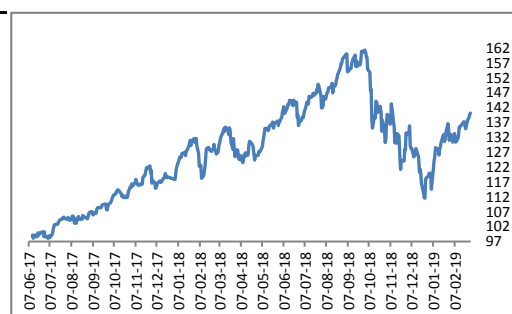
Asset Class	Equity
Inception Date	7-Jun-17
Currency	USD
Type of Return	Total Return
Ticker	NXSRFINT
ISIN	XS1365787230
Issuer	NATIXIS
Issue Price	100.0
Last Price	140.1
Sharpe Ratio	0.89
Correlation	0.79
Beta	1.67
Reference index	MSCI World Net Return

## MONTHLY RETURNS (%)

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	ANNUAL
2019	10.9%	5.3%											16.8%
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%	6.0%	2.1%	3.1%	5.8%	0.9%	0.3%	17.8%

### HIGHS/LOWS

	Price	Date
All Time High	161.3	28-Sep-18
All Time Low	98.1	4-Jul-17



## February 2019 highlights

The AtonRâ Fintech certificate gained 5.3% in February, outperforming the MSCI World Net Return by 2.3%. Year-to-date, it outperforms its reference index by 5.8% and launch-to-date (June 7, 2017 launch), it outperforms by 28.5%.

According to press reports, **Apple** and **Goldman Sachs** are about to team up to issue a joint credit card that would be integrated into Apple's Wallet and Pay solutions and would provide users with an array of features including rewards, spending limits and notifications about spending habits.

Surprising at first glance, this move into plastic cards suggests that Apple is determined to become a dominant force in payments by increasing usage of its Pay app by current users who still rely on physical debit and credit cards for the majority of their payments and by attracting to Apple Pay new consumers who are still reluctant to go digital for their payments. The generous 2% cash back the card is expected to provide is likely to act as a major incentive for consumer sign-ups.

Importantly, this move could have meaningful financial implications as Apple will issue the credit card and will thus take the cut on transaction fees (to be shared with Goldman) that traditionally goes to the issuing bank, suggesting that Apple will much better monetize Apple Pay. It's also likely to be part of Apple's recent focus on services and could open the way to a more comprehensive digital banking offering.

Talking about payments, there's an ongoing debate about the blockchain's ability to disrupt payments infrastructures such as Swift. While **Ripple**, which issued the second to third biggest cryptocurrency XRP, has long been bragging it will take over Swift thanks to transparent, faster and cheaper transactions, Swift struck back recently, stating that its GPI technology lets banks see where their payments are at all times and that "Banks have indicated they do not want to communicate how much money they have on an account to everybody else".

Clearly, too much transparency offered by the blockchain could be an issue and it seems that it will take time before the blockchain fully disrupts the payments industry. That being said, the technology offers many other applications in the short term such as logistics, as illustrated by Accenture's recently unveiled app that lets consumers scan a digital code that offers information on the supply chain trail of the product and give farmers and producers a tip for their services.

In other action, **Alibaba's** Ant Financial acquired British payments firm WorldFirst for around \$700m. After the failed attempt to take over US-based **MoneyGram**, this acquisition marks the first major push by the Chinese fintech giant into Western markets. Considering that the US market is closed to the Chinese (Washington blocked the MoneyGram acquisition on security concerns), the European fintech scene could become a major hunting field for Chinese firms.

## Top 3 Contributors

### Name

SQUARE INC - A  
SS&C TECHNOLOGIES HOLDINGS  
PAYPAL HOLDINGS INC

## Worst 3 Contributors

### Name

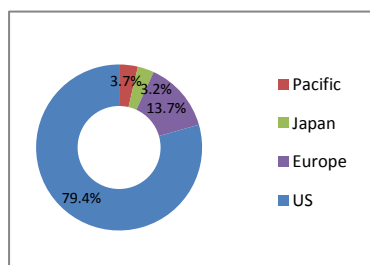
GREEN DOT CORP-CLASS A  
WIRECARD AG  
BOTTOMLINE TECHNOLOGIES (DE)

## Top 3 Holdings

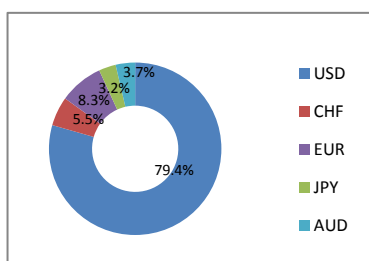
### Name

SQUARE INC  
PAYPAL HOLDINGS INC  
BOTTOMLINE TECHNOLOGIES (DE)

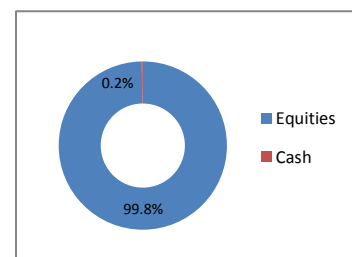
### Geographical Breakdown



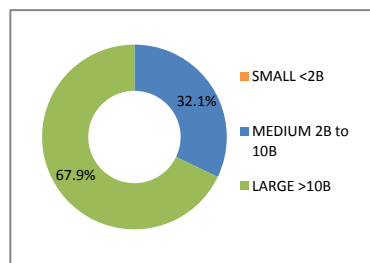
### Currency exposure



### 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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