

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

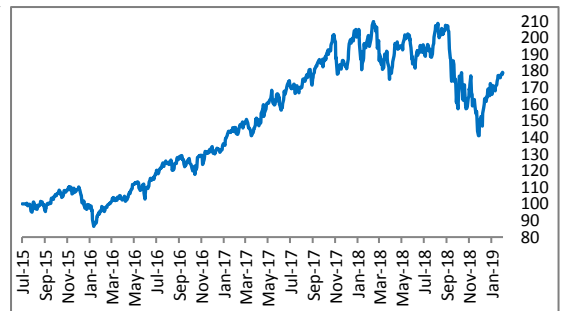
Asset Class	Equity
Inception Date	24-Jul-15
Currency	USD
Type of Return	Total Return
Ticker	NXSRATRA
ISIN	XS0884325415
Issuer	Natixis
Issue Price	100.0
Last Price	178.8
Sharpe Ratio	0.78
Correlation	0.71
Beta	1.37
Reference index	MSCI World Net Return

### MONTHLY RETURNS (%)

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	ANNUAL
2019	12.3%	4.4%											17.2%
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%	8.8%

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



### February 2019 highlights

The AtonRâ Innovation certificate gained 4.4% in February, outperforming the MSCI World Net Return by 1.4%. Year-to-date, it outperforms its reference index by 6.1% and launch-to-date (2015, July 24 launch), it outperforms by 50.8%.

With the first 5G commercial services expected to launch in the US in coming months (30 cities for Verizon, 9 cities as soon as May for Sprint), 5G was unsurprisingly a hot topic at the recent Mobile World Congress and a source of confidence in the 2019-20 outlook for telecom and networking equipment makers.

In an obvious attempt to push their telecom operator customers to raise and speed up their capex plans, equipment makers took some time to detail the 5G business rationale for telecom operators, with **Nokia** estimating the incremental revenue opportunity at \$500bn by 2028. Indeed, the 5G revenue opportunity will be much larger than previous network generations as it will connect billions of new devices (cars, enterprise devices...) and will give rise to new revenue streams including data-driven intelligence, monitoring platforms and security.

We're often asked whether telecom operators could be an interesting play on the 5G takeoff in light of the above-mentioned revenue streams. Our view is that even if carriers will clearly benefit from a much larger enterprise market, there's much more upside in the networking equipment segment (**Nokia, Ericsson, Ciena**...) as their business gradually transitions to high-margin software from hardware and as their profitability levels have ample room to rebound after several tough years.

Noteworthy, Nokia announced it will break out software as a business unit in its financial reporting as it becomes a major revenue and earnings driver.

Augmented reality (AR), which overlays digital images on real-world images, will be one of the main applications benefiting from 5G. Last month, **Microsoft** unveiled the latest version of its HoloLens AR headset which allows to interact with holograms and features a significantly larger field of view and higher resolution. In light of the \$3,500 price point, it's pretty obvious Microsoft does not target consumers and will focus on business applications.

Interestingly, Microsoft will offer enterprises the ability to customize its device and illustrated this with a customized hard hat with HoloLens built in for construction hardware company Trimble that will let construction workers get holographic data on site and review their models overlaid in the context of the physical environment.

As far as the consumer market is concerned, it will be a few years before smart glasses prices become affordable and AR goes mainstream. That being said, there are currently many initiatives in the space from the likes of **Apple, Facebook** and **Magic Leap** and smart glasses/AR could well become a major computing platform in a near future with use cases ranging from mapping and location-based alerts to fitness/activity tracking (speed, heart rate...) and assistance for blind people (through a combination of computer vision and voice assistant).

## Top 3 Contributors

**Name**  
 OMNICELL INC  
 SQUARE INC - A  
 INSULET CORP

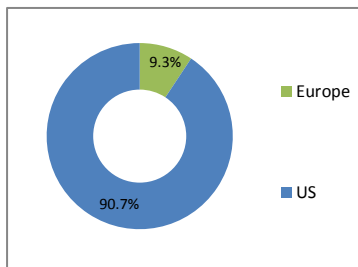
## Worst 3 Contributors

**Name**  
 WIRECARD AG  
 TAKE-TWO INTERACTIVE SOFTWARE  
 NEUROCRINE BIOSCIENCES INC

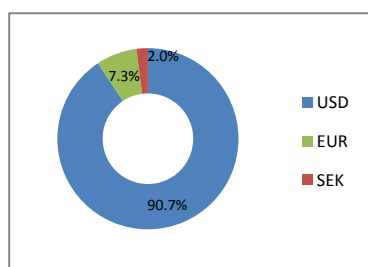
## Top 3 Holdings

**Name**  
 SQUARE INC - A  
 OMNICELL INC  
 XILINX INC

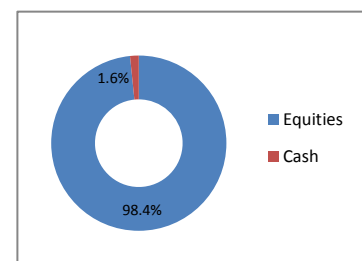
### Geographical Breakdown



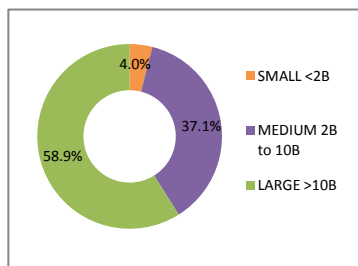
### Currency exposure



### 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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