

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	244.2
Sharpe Ratio	1.22
Correlation	0.82
Beta	1.19
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%											19.5%
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	264.0	2-Oct-18
All Time Low	94.6	16-Oct-14



February 2019 highlights

The AtonRâ Mobile Payments certificate (EUR) gained 5.3% in February, outperforming the MSCI World Net Return (EUR) by 1.5%. Year-to-date, it outperforms its reference index by 8% and launch-to-date (April 22, 2014 launch), it outperforms by 79.1%.

Mobile payments adoption keeps growing at a fast pace, as illustrated by the latest Loup Ventures survey which found that 43% of global iPhone users have used **Apple Pay**, up from 36% in September 2018 and 20% in December 2017.

Interestingly, only 24% of US iPhone users have enabled Apple Pay versus 47% internationally, suggesting that we have at least two years of strong growth ahead in the US (driven by a mix of new features such as peer-to-peer payments and new shopping experiences) before reaching an adoption rate of 50-60%.

Adoption is already quite high in emerging markets, notably in countries such as Kenya and China that have pioneered mobile payments, allowing unbanked people and consumers in regions with weak banking infrastructure to easily transfer money. But it appears there's still significant potential in these regions as governments are pushing for the continued digitization of payments.

Notably, Beijing announced last month plans to make mobile payments ubiquitous in rural areas by the end of 2020 through a set of guidelines published by five of China's top regulating bodies, including the central bank and the Ministry of Finance. Considering that China's rural population accounts for 40% of total population and that mobile payments usage in rural areas is significantly below levels seen in Chinese cities, this government initiative should give a major boost to transaction volumes in the country and hence benefit Alibaba's Alipay and Tencent's Wechat.

And in Mexico, where half the population is unbanked, the administration of President Andres Manuel Lopez Obrador announced a digital payments system run by the central bank that will let Mexicans make and receive payments through their smartphones free of charge, in a move aimed at making financial services more affordable.

Against this backdrop of rising adoption of mobile payments in both developed countries and emerging economies, it's no wonder that payment processors keep exceeding expectations (as illustrated by the quarterly earnings of **Adyen**, **Global Payments**, **Worldpay** or **Euronet** last month), standing out from the rest of the Tech industry which has been affected in recent months from reduced capex in China and weak smartphone sales. The trend is likely to keep going, notably as growing transaction volumes are expected to fuel some margin leverage in a highly scalable industry.

Top 3 Contributors

Name
 SQUARE INC - A
 GLOBAL PAYMENTS INC
 PAYPAL INC

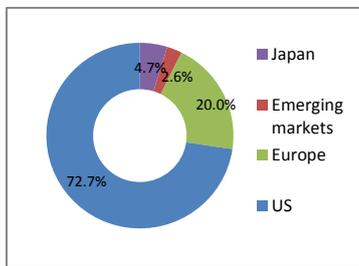
Worst 3 Contributors

Name
 WIRECARD AG
 AMAZON.COM INC
 TENCENT HOLDINGS LTD-UNS ADR

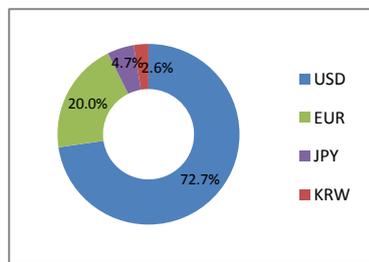
Top 3 Holdings

Name
 SQUARE INC - A
 PAYPAL INC
 GLOBAL PAYMENTS INC

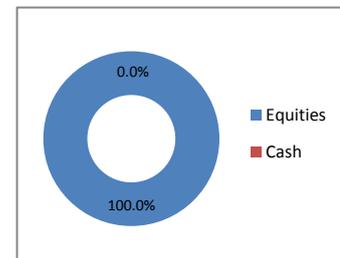
Geographical Breakdown



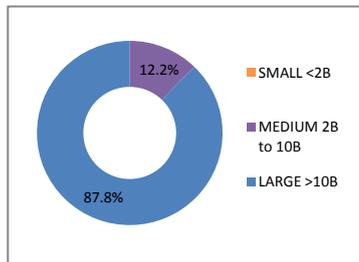
Currency exposure



Asset Allocation



Equity Market Capitalization



Equity Liquidity

1 to 3 days to liquidate*	95%
3 to 5 days to liquidate	0%
More than 5 days to liquidate	5%

*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.

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