

The AtonRâ Sustainable Future is a long-only, monthly rebalanced, actively-managed certificate. It aims to benefit from all the industries benefiting from the sustainable development of our planet.

The investment universe includes renewable energies, energy storage, green & smart transport, water & wastewater treatment, the digitalization of energy systems and integration of smart & efficient technologies in cities.

Today our civilization has to face several challenges driven by climate change, the growing world population and the world electrification. The answer to those challenges is technology. Technology is enabling human beings to adapt to a changing climate and to adopt sustainable behaviors.

Overall, it is our entire society that is evolving by taking actions that will pave the way to a sustainable future. We are at a critical juncture and governments, big corporations and people are now all committed to pursue the same goal.

Main Features

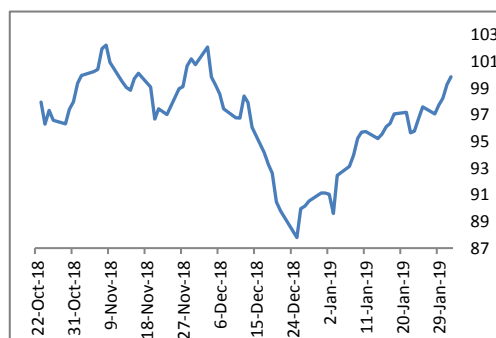
Asset Class	Equity
Inception Date	19-Oct-18
Currency	USD/EUR
Type of Return	Total Return
Ticker (USD Class)	JMLNARSF
Ticker (EUR Class)	JMLNARSE
ISIN (USD Class)	XS1668108175
ISIN (EUR Class)	XS1668108506
Issuer	JP Morgan
Issue Price	100.0
Last Price (USD Class)	99.8
Sharpe Ratio	-
Correlation	-
Beta	-
Reference index	MSCI World Net Return

MONTHLY RETURNS (%)

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	ANNUAL
2019	9.0%												9.0%
2018										-2.0%	2.8%	-9.6%	-8.9%

HIGHS/LOWS

	Price	Date
All Time High	102.1	3-Dec-18
All Time Low	87.79	25-Dec-18



January 2019 highlights

The AtonRâ Sustainable Future certificate (USD) gained 9% in January, outperforming the MSCI World Net Return by 1.2%. Launch-to-date (October 22, 2018 launch), it performs in line with its reference index.

In 2018, global new investments in clean energy totaled \$332.1bn, falling 8% from 2017 levels (BNEF data). The reduction is mostly attributable to a sharp drop in the solar sector which totaled \$130.8bn, down 24% from 2017 levels. The reason behind being a Chinese's policy change (restricting access to subsidies for new solar projects) and falling prices of PV modules (-12%) as a natural consequence of the Chinese's move.

Despite falling investments in solar energy, the number of new photovoltaic system installed in 2018 totaled 109 GW of power, up 10% from 2017 levels. With solar technology becoming more and more competitive, the amount of new projects developed is constantly increasing. The growth in deployment is benefiting a few strategic players; notably photovoltaic system installers and inverter providers who are fully profiting from an ever increasing demand due to lower prices.

As for Wind energy investments, the sector registered a 3% rise in 2018 for a total of \$128.6bn. More specifically, investments in offshore wind projects went up 14% and totaled \$25.7bn. Worth mentioning the example of **Siemens Gamesa** who recently reported a revenue increase of 6% despite weakness in general turbines prices, mainly driven by the offshore segment. We expect investments in offshore wind technology to keep growing as the technology is reaching record levels of competitiveness.

Last month, Pacific Gas & Electric (PG&E), California's largest utility, filed for bankruptcy after the cost of wildfires reached potential liabilities of more than \$30bn for the company. We identify two key takeaways from this situation:

- 1) climate change has already started to affect our society and is hitting, in the first place, old traditional industries such as utilities,
- 2) traditional industries need to invest into resilient technologies in order to mitigate climate change risks and most notably utilities need to upgrade their grid installations (through insulated conductor to reduce spark risks, smart grid technologies for real-time control, distributed generation from renewables).

We thus see the PG&E bankruptcy event as a positive catalyst that will further boost the growing interest into smart grid technologies.

Looking at the US railway sector, the introduction of new reforms will likely reshape the industry for the coming years.

On the security side, all the 41 national rail systems are required to upgrade their assets and integrate the so-called Positive Train Control (PTC) technology by 2020. This technology involves the installation of equipment on locomotives and tracks to monitor train speed and relative position. **Wabtec Corp.**, one of the few leaders in PTC technology, is well positioned to benefit from the coming flow of upgrades. On a related note, the Federal Railroad Administration rule introduced this month a new high-speed standard, increasing the maximum speed limit to 220 mph and fostering railroads to upgrade their assets.

Overall, we expect the whole US railway industry to experience major upgrades that will drive investments into new safety & speed technologies.

Top 3 Contributors

Name

NESTE OYJ
 SOLAREEDGE TECHNOLOGIES INC
 WEG SA

Worst 3 Contributors

Name

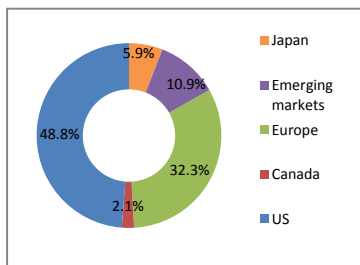
KINGSPAN GROUP PLC
 TESLA INC
 BYD CO LTD -A

Top 3 Holdings

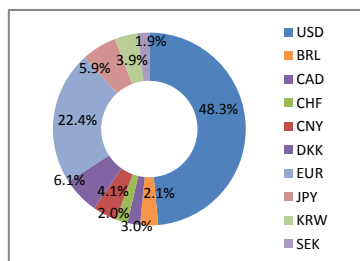
Name

NESTE OYJ
 SOLAREEDGE TECHNOLOGIES INC
 SUNRUN INC

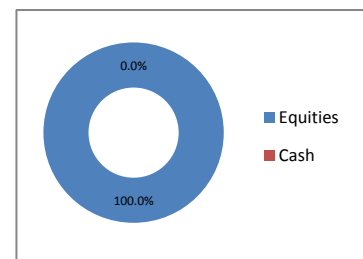
Geographical Breakdown



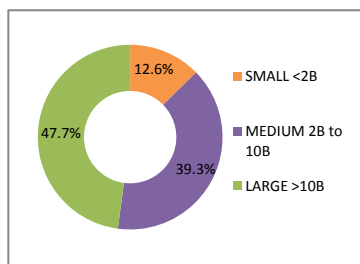
Currency exposure



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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It should not be assumed that the Certificate will invest in any specific securities that comprise any index, nor should it be understood to mean that there is a correlation between the Certificate's returns and any index returns.

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