

**Objectives:** 7% Perf (by Mar 27, 2015), Max DD < 10%, Max Exp = 200%  
**Investment Universe:** EuroStoxx50 components  
**3-Step Approach:** Quantitative, Fundamental and Technical analyses

**Performance since Inception:**

+ 9.76%

**Trading week n°7 Net Result:**

+ 0.42%

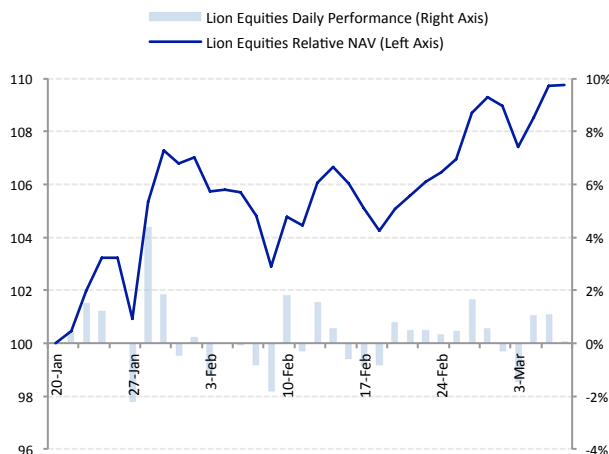
## Weekly comment

Lion Equities Fund was launched 7 weeks ago on Tuesday January 20th. With EUR 100M in AUM, we strive at combining a quantitative investment approach with fundamental and technical analyses over European stocks.

Lion Equities ended its 7th week of trading with a gain of +0.42% (performance since inception is 9.76%). Entering our last month of trading, we still aim to reduce our portfolio's volatility level, while keeping positive exposures to market premium through diversification. Our strategy generated positive return with lower volatility due to extraordinary market conditions this past month. Our biggest winners are Carrefour, Daimler and LVMH, bringing together a positive contribution equal to 0.60%, while our three main losers (Orange, E.ON and Total) brought a negative contribution equal to -0.46% due to consolidation phases.

This week was another week of records. Positive effects of the soon-coming ECB Quantitative Easing programme (starting Monday) as well as the expected US rate-hike (likely to start in June or at least in September) are already altering the European and American Economies as a whole. The Euro tumbled to 11-year lows, with levels beneath USD 1.09 for EUR 1, while the Euro-zone's Economic activity picked up with lower unemployment levels, stimulated prices and diluted deflation risks.

## Performance

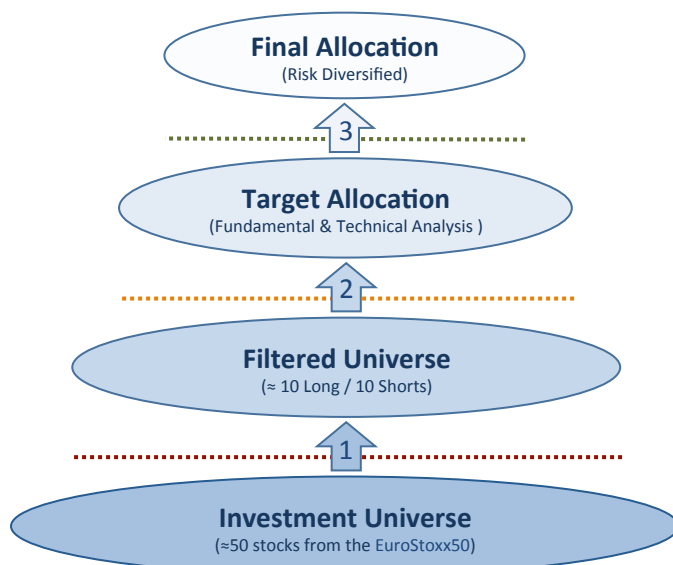


## Characteristics

NAV	I Shares: 109.76 EUR
Inception	Jan 20, 2015
AUM	EUR 100 M
UCITS IV	Yes
ISIN	I Shares: IR203203203
Bloomberg Ticker	(I) LFEQIR Equity
Domicile	Ireland
Manager	Lion Partners Ltd.
Liquidity	Daily
Min initial subscription	I Share: 1 000 000€
Cut off	By D-1, 5:00 p.m.
Rebalances	Weekly
Custodian	RBC Investor Services (France)
Administrator	
Management fees (including admin fees)	1.7% per year
Incentive fees	20% of the outperformance (Cf. prospectus)
Website	<a href="http://www.lionfund203.com">www.lionfund203.com</a>
Contact	<a href="mailto:lionfund203@gmail.com">lionfund203@gmail.com</a>

## Investment Approach

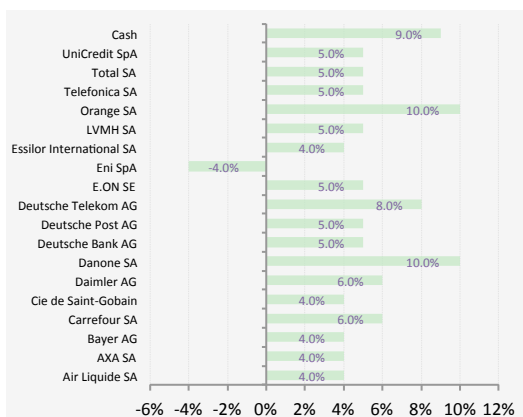
1. Long term Quant Approach. We first rank the EuroStoxx50's components with their respective adjusted Sharpe ratios computed over the past 2 years (risk adjusted). We then cross these results with a CAPM regression between each stock and their benchmark ranking Alphas and Betas. We end up with Max 10 "Best" Stocks and Max 10 "Worst" stocks based on these indicators. These stocks stand as our Filtered Universe.
2. Short term Fundamental and Technical approach.
3. Final allocation based on a risk minimization (min VaR).



## Last Week's Breakdown

Stock Names	Position (Long/Short)	Entered Price (€)	Last Quote	Stop Loss	Performance contribution
Air Liquide SA	Long	118,10	118,60	2%	0,02%
AXA SA	Long	22,69	22,79	2%	0,02%
Bayer AG	Long	132,05	133,65	2%	0,04%
BNP Paribas SA	Long	52,09	52,08	2%	0,00%
Carrefour SA	Long	29,57	31,06	2%	0,25%
Cie de Saint-Gobain	Long	40,24	40,23	2%	0,00%
Daimler AG	Long	86,51	89,92	2%	0,20%
Danone SA	Long	62,33	62,42	2%	0,01%
Deutsche Bank AG	Long	29,38	29,49	2%	0,02%
Deutsche Post AG	Long	30,43	30,37	2%	-0,01%
Deutsche Telekom AG	Long	16,67	16,76	2%	0,04%
E.ON SE	Long	14,44	14,00	2%	-0,15%
Eni SpA	Short	16,68	16,26	2%	0,10%
Essilor International SA	Long	104,45	105,20	2%	0,02%
Intesa Sanpaolo SpA	Long	2,98	2,96	2%	-0,03%
LVMH SA	Long	163,90	168,90	2%	0,15%
Orange SA	Long	16,30	15,95	2%	-0,21%
Telefonica SA	Long	13,90	13,72	2%	-0,05%
Total SA	Long	48,24	47,01	2%	-0,10%
UniCredit SpA	Long	5,95	6,12	2%	0,11%

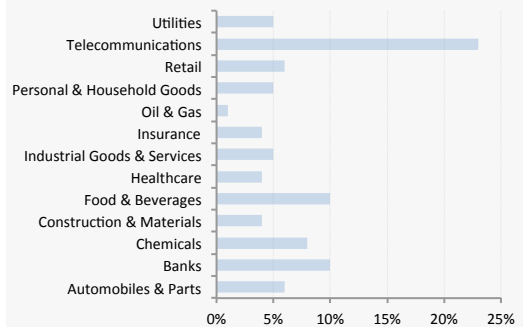
## New Exposures



Since Inception	Lion Equities	SXSE
<b>Return*</b>	<b>+ 9,76%</b>	<b>+ 11,49%</b>
<b>Ann Volatility*</b>	<b>20,06%</b>	<b>12,86%</b>
<b>Sharpe Ratio*</b>	<b>1,26</b>	<b>2,33</b>
<b>MaxDD*</b>	<b>4,07%</b>	<b>1,98%</b>

\*Data based on Daily Historical NAVs since Jan 20, 2015

## Sector Exposures



## Fundamental Analysis

Positive momentum coupled with the stretching day-length season uplifts investors' behavior as well as their confidence in the European market. We reckon that the EuroStoxx still holds a strong uptrend potential in the short run. This has shaped our portfolio these past couple of weeks towards a significant positive exposure to our investment universe, short positions getting odd.

## Technical Analysis

Based on our tools of proprietary Technical Analysis (MAs of prices, RSI, Support & Resistance levels, Volumes & their MAs, Bollinger & Keltner Bands), the conduction of a new analysis and the monitoring of our current holdings, we decided to only cover some of our positions while keeping our significant positive exposure in anticipation of the start of the ECB's QE next Monday. We closed our positions on Intesa (objective reached, Bollinger Bands jaw closed and volume decreasing) and BNP (Bollinger Bands jaw closing, price below upward Bollinger Band, redemption, flat performance this week). And, concerning our most cautious monitored positions, we are staying Long on Danone (Bollinger Bands jaw opened, price closed to upward Bollinger Band, volume still piling up, growth potential left), UniCredit (Bollinger Band jaw opened, good volume, remaining upward potential towards our objective), Deutsche Telekom (Bollinger Bands jaw still opening, price closed to upward Bollinger Band, volume piling up, still upward potential), E.ON (only a small consolidation leaving our growth belief intact), Orange (still big potential in Telecoms and particularly Orange) and Total (MA 30 days about to cross MA 200 days, only a small consolidation period explaining the small loss but monitored closely with recent redemption).

## Risks Indicators\*

- To determine the optimal weights to implement, we have minimized the variance of the portfolio with constraints on the weights and a minimal return target for the portfolio, using the returns of the stocks and their variance covariance matrix.
- Market Risk: we are exposed to reversals in our selected stocks' prices, limited to a 2% loss (stop-loss).

Since Inception	Lion Equities	SXSE
<b>VaR-95% 1 day</b>	<b>-1,79%</b>	<b>-1,00%</b>
<b>CVaR-95% 1 day</b>	<b>-2,61%</b>	<b>-1,67%</b>
<b>CVaR-99% 1 day</b>	<b>-3,37%</b>	<b>-2,16%</b>

\*Data based on Daily Historical NAVs since Jan 20, 2015