

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:

+ 12.47%

Trading week n°9 Net Result:

+ 1.50%

Weekly comment

Lion Equities Fund was launched 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.

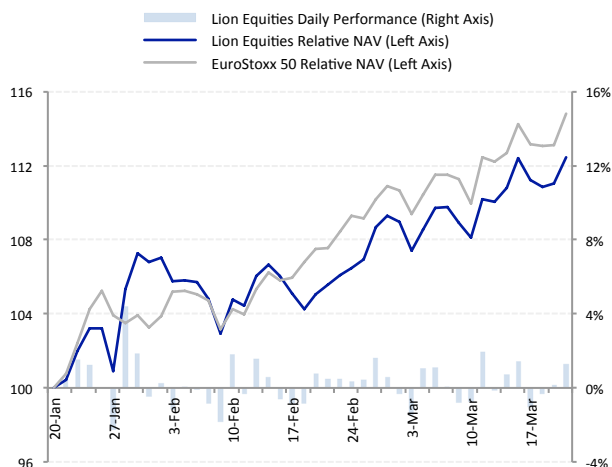
Lion Equities ended its 9th week of trading with a gain of 1.50% (performance since inception is 12.47%), mainly driven by our positive exposures on Total SA, Enel SpA and E.ON SE as well as the extraordinary bull-market condition in Europe. The main losers this week are Eni SpA and Orange SA. Entering our last week of trading, we aim at keeping our global performance above 7% with the lowest possible volatility level. Given the actual economic context and the ECB's QE, launched two weeks ago now, we expect to achieve our goal riding this astounding bullish trend.

The Fed captured all our attention last week. Investors carefully listened to Janet Yellen, assessing her patience level about the beginning of the rate hike. This situation definitely increased volatility levels this week. It turns out that Yellen did not announce a Fed Fund rate increase coming in a few months. However, the word "patient" has disappeared from her speech, which sets even more doubts. This should clearly be monitored these next coming months. On foreign-exchange markets, an increase of the EUR/USD was observed, the EUR ending at USD 1.06, and volatility skyrocketed. On the oil market, 6-year low levels were reached by the WTI trading below USD 43, mainly due to a production increase in the US.

Characteristics

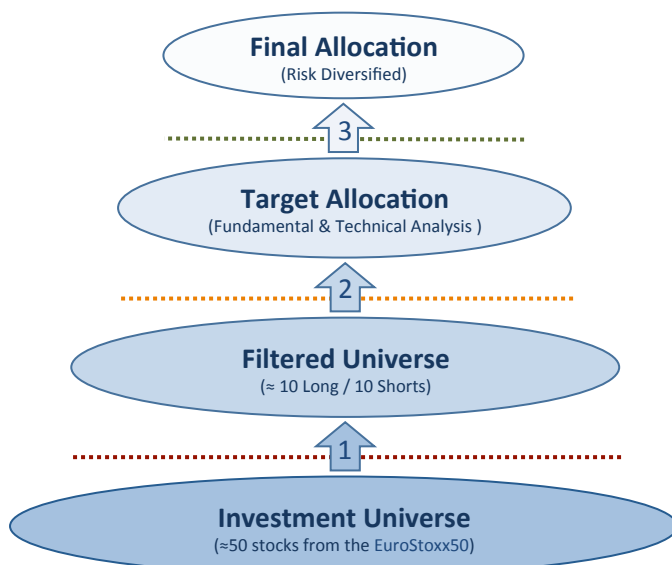
NAV	I Shares: 112.47 EUR
Inception	Jan 20, 2015
AUM	EUR 100 M
UCITS IV	Yes
ISIN	I Shares: IR203203203
Bloomberg Ticker	(I) LFEQIR Equity
Domicile	Ireland
Manager	Lion Partners Ltd.
Liquidity	Daily
Min initial subscription	I Share: 1 000 000€
Cut off	By D-1, 5:00 p.m.
Rebalances	Weekly
Custodian	RBC Investor Services (France)
Administrator	
Management fees (including admin fees)	1.7% per year
Incentive fees	20% of the outperformance (Cf. prospectus)
Website	www.lionfund203.com
Contact	lionfund203@gmail.com

Performance



Investment Approach

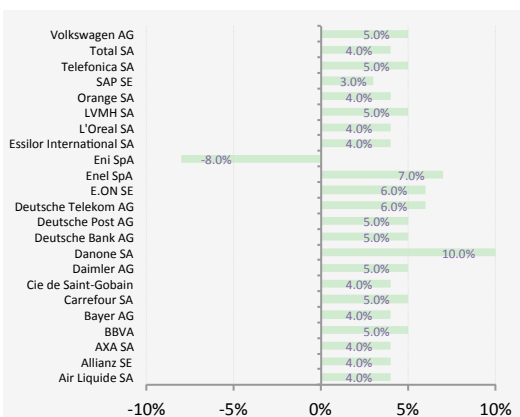
1. Long term Quant Approach. We first rank the EuroStoxx50's components with their respective adjusted Sharpe ratios computed over the past 2 years (risk adjusted). We then cross these results with a CAPM regression between each stock and their benchmark ranking Alphas and Betas. We end up with Max 10 "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).



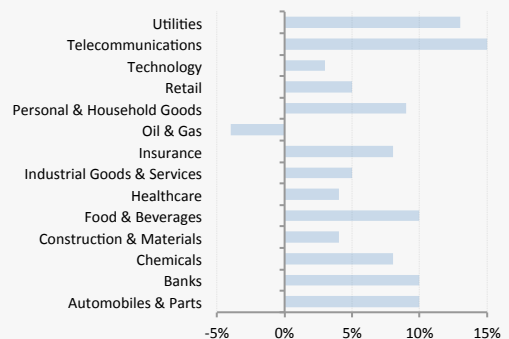
Last Week's Breakdown

Stock Names	Position (Long/Short)	Entered Price (€)	Last Quote	Stop Loss	Performance contribution
Air Liquide SA	Long	120,65	121,80	2%	0,05%
Allianz SE	Long	155,50	161,75	2%	0,16%
AXA SA	Long	23,41	23,83	2%	0,07%
Bayer AG	Long	141,70	143,95	2%	0,06%
Carrefour SA	Long	31,14	31,89	2%	0,14%
Cie de Saint-Gobain	Long	40,57	41,56	2%	0,10%
Daimler AG	Long	93,10	91,51	2%	-0,10%
Danone SA	Long	62,19	62,75	2%	0,09%
Deutsche Bank AG	Long	30,12	31,65	2%	0,25%
Deutsche Post AG	Long	29,10	29,52	2%	0,07%
Deutsche Telekom AG	Long	17,15	16,99	2%	-0,07%
E.ON SE	Long	13,53	14,25	2%	0,32%
Enel SpA	Long	4,11	4,35	2%	0,43%
Eni SpA	Short	15,58	16,25	2%	-0,34%
Essilor International SA	Long	107,50	108,35	2%	0,04%
GDF Suez	Short	18,23	19,00	2%	-0,13%
L'Oreal SA	Long	171,75	172,10	2%	0,01%
LVMH SA	Long	171,25	169,25	2%	-0,06%
Munich Re	Long	194,40	203,10	2%	0,13%
Orange SA	Long	15,41	14,89	2%	-0,17%
Telefonica SA	Long	13,24	13,45	2%	0,08%
Total SA	Long	44,65	47,63	2%	0,33%
Volkswagen AG	Long	247,75	250,05	2%	0,04%

New Exposures



Sector Exposures



Since Inception	Lion Equities	SX5E
Return*	+ 12,47%	+ 14,83%
Ann Volatility*	19,10%	13,89%
Sharpe Ratio*	1,50	2,47
MaxDD*	4,07%	1,98%

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

Fundamental Analysis

This week, the impact of the ECB's QE is still noticeable across European markets. Indeed, the unusual bull trend is still persistent. However, we observed slowdowns prior to the Fed's announcements due to market skepticism. Nevertheless, decisions taken by the Fed should not create any premature bear trend these coming weeks. That is why we are still confident on our portfolio's long positions previously launched. Any adjustment will be made depending on our monitoring as well as major events coming up. All weights have been optimized with our proprietary risk-aversion model.

Technical Analysis

We still pay a careful attention to the QE's market impacts on our investment universe as well as the Fed's announcements in order to quickly spot any market reversal. Based on our tools used in our proprietary Technical Analysis approach (MAs of prices, RSI, Support & Resistance levels, Volumes & their MAs, Bollinger & Keltner Bands, MACD, Donchian Channel and Envelopes), this week again new analyses have been conducted on our entire investment universe to test our current holdings and to look for new opportunities (we added a new indicator: Chaikin Money Flow). Several new Long positions will be launched Monday (Banco Bilbao Vizcaya Argentaria SA, SAP SE). This is a way for us to increase diversification while reducing our portfolio's volatility level, as we have strove to do this past month.

Risks Indicators*

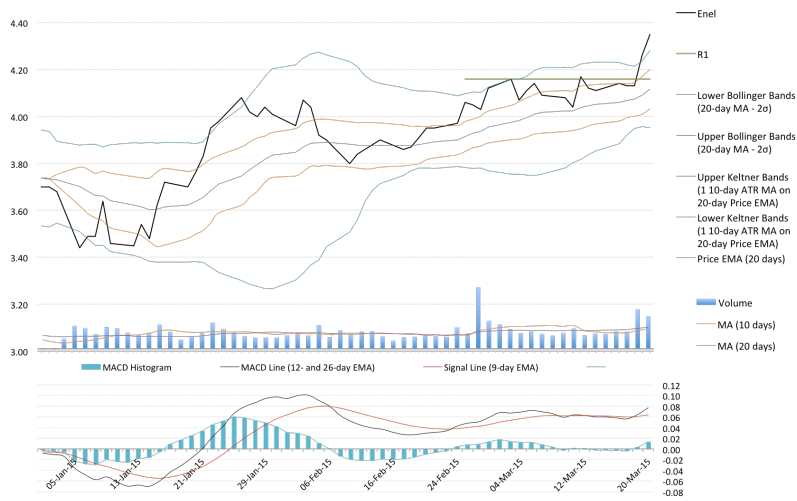
- To determine the optimal weights to implement, we have minimized the variance of the portfolio with constraints on the weights and a minimal return target for the portfolio, using the returns of the stocks and their variance covariance matrix.
- Market Risk: we are exposed to reversals in our selected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

Since Inception	Lion Equities	SX5E
VaR-95% 1 day	-1,70%	-1,11%
CVaR-95% 1 day	-2,48%	-1,81%
CVaR-99% 1 day	-3,21%	-2,33%

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

Technical Analyses

Comments



Enel SpA

On Wednesday, Enel broke its resistance level of EUR 4.16, lasting since September 2014.

The 30-day MA crossed the 200-day MA and is above the 50-day MA since last week.

Volume levels have started to increase.

The price crossed upwards both the upper Keltner Band and the upper Bollinger Band.

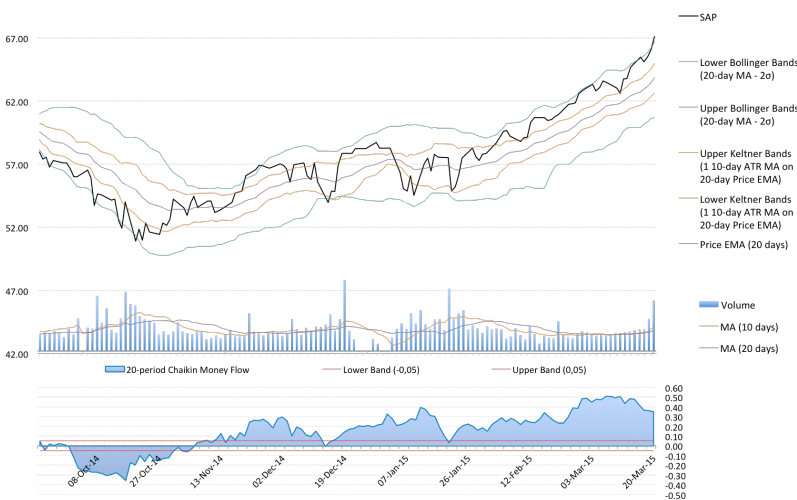
The Chaikin Money Flow was still way above the upper signal line.

The MACD was positive and broke up the signal line upwards on Wednesday, which was the last confirmation signal we were monitoring before entering into a Long position.



BBVA SA

BBVA has broken its resistance level of EUR 9.242 on Friday. The 50-day MA crossed the 100-day MA upwards. Volume has been piling up and crossed the 10 and 20-day MAs. On the medium run, we can observe a Reverse Head & Shoulders, which signals an upward price move. It seems to be the start of an imminent bull trend as the jaw of the Bollinger Bands opened. This positive signal is confirmed by the fact that the price crossed the Bollinger Bands upwards. This analysis led us to open a new Long position of 5%. However, this long position will be monitored these coming days since these positive signals are not yet underpinned by a strong volume increase.



SAP SE

SAP SE broke its resistance level of EUR 65.49 on Thursday. It looks like the bull trend will continue since the jaw of the Bollinger Bands stretched and the price crossed the Bands upwards. The price crossed upwards the 5% envelopes on 20-day MA as well, is above the upper Keltner Band and drives the Donchian Channel upwards.

The MACD is positive and above the signal line. The Chaikin Money Flow oscillator is still way above the upper signal line.

Trading volume has been piling up and crossed its 10-day and 20-day MAs.

These are Long positions signals. Therefore, a positive exposure of 3% will be set on Monday.