

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:

+ 9.30%

Trading week n°6 Net Result:

+ 3.52%

Weekly comment

Lion Equities Fund was launched 6 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.

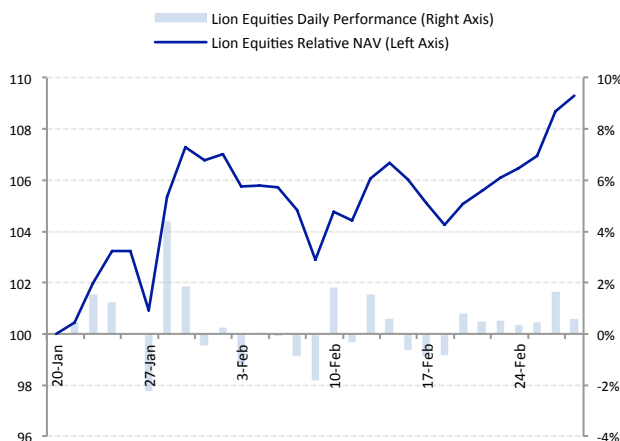
Lion Equities ended its 6th week of trading with a record gain of 3.52% (performance since inception is 9.30%), mainly driven by our positive exposures on Danone SA and Orange SA. It is the first time we break the 7% target return at the end of a trading week. With only one month of trading left, our main goal is to reduce our portfolio's volatility level through diversification.

Monday was a sunny trading day for us: first, we decided to open a long position on Danone, based on our previous week's technical analysis. It turns out that we made the right choice since it has been our best performing stock this week. Second, Sanofi reached our price objective threshold set at EUR 89 two weeks ago, which made us lock our gains after closing the positive exposure. We again decided to use techniques learnt in class two weeks ago to find the best opportunities that are currently available within our investment universe. The Greek situation has been stabilized and we now have to keep focused on other indicators such as the ECB's QE starting in just a few days. The IMF and EU institutions, as well as the EU members' parliaments, successfully approved the Greek plan of action. Across the pond, the US Federal Energy Information Agency indicated that commercial oil inventories increased last week twice more than what was anticipated. This could impact the gap between offer and demand again, penalizing WTI and Brent prices.

Characteristics

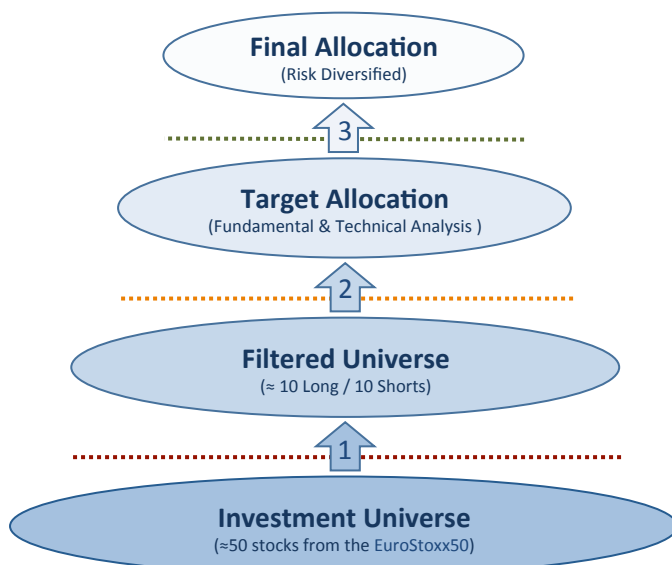
NAV	I Shares: 109.30 EUR
Inception	Jan 20, 2015
AUM	EUR 100 M
UCITS IV	Yes
ISIN	I Shares: IR203203203
Bloomberg Ticker	(I) LFEQIR Equity
Domicile	Ireland
Manager	Lion Partners Ltd.
Liquidity	Daily
Min initial subscription	I Share: 1 000 000€
Cut off	By D-1, 5:00 p.m.
Rebalances	Weekly
Custodian	RBC Investor 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

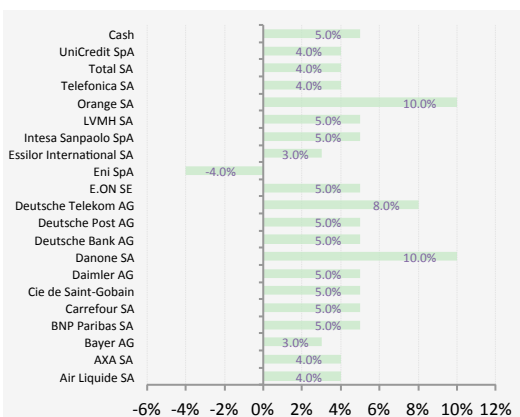
1. Long term Quant Approach. We first rank the EuroStoxx50's components with their respective adjusted Sharpe ratios computed over the past 2 years (risk adjusted). We then cross these results with a CAPM regression between each stock and their benchmark ranking Alphas and Betas. We end up with Max 10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



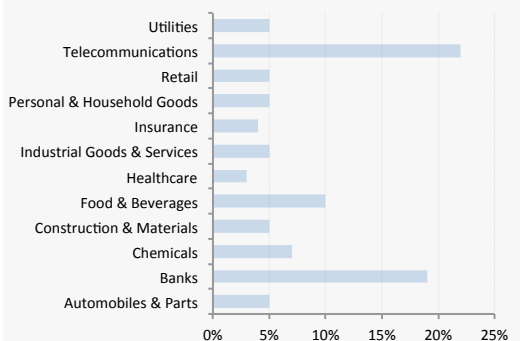
Last Week's Breakdown

Stock Names	Position (Long/Short)	Entered Price (€)	Last Quote	Stop Loss	Performance contribution
Airbus Group NV	Long	52,46	55,33	2%	0,22%
ASML Holding NV	Long	90,88	96,61	2%	0,47%
Bayer AG	Long	124,50	132,05	2%	0,42%
BNP Paribas SA	Long	51,29	52,09	2%	0,16%
Carrefour SA	Long	29,55	29,57	2%	0,00%
Cie de Saint-Gobain	Long	41,51	40,24	2%	-0,21%
Daimler AG	Long	82,33	86,51	2%	0,35%
Danone SA	Long	58,25	62,33	2%	1,12%
Deutsche Bank AG	Long	29,17	29,38	2%	0,05%
Deutsche Post AG	Long	29,64	30,43	2%	0,19%
Deutsche Telekom AG	Long	15,91	16,67	2%	0,34%
E.ON SE	Short	13,34	14,44	2%	-0,82%
Intesa Sanpaolo SpA	Long	2,83	2,98	2%	0,53%
LVMH Moët Hennessy Louis Vuitton SA	Long	159,05	163,90	2%	0,21%
Orange SA	Long	15,29	16,30	2%	1,11%
RWE AG	Short	23,33	24,99	2%	-0,70%
Sanofi	Long	87,39	89,05	2%	0,08%

New Exposures



Sector Exposures



Since Inception	Lion Equities	SX5E
Return*	+ 9,30%	+ 10,91%
Ann Volatility*	20,82%	12,77%
Sharpe Ratio*	1,25	2,40
MaxDD*	4,07%	1,98%

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

Fundamental Analysis

As expected, the action plan submitted by Greece on Monday was approved by its creditors, which helped stabilize European markets. They agreed on the fact that it was not another financial help but a delay that should not hurt European institutions as long as the Greek government respects its commitments. Higher volatility levels implied by the German vote on Friday decreased after its parliament's acceptance. From now on, will be more focused on the ECB's Quantitative Easing, which should help maintain a bull trend on European markets. However, since the market has already priced this QE, we have decided to maintain most of our preceding positions and to increase our best performing ones in order to ride the expected future bull trend. Any adjustment will be made depending on our monitoring and the news coming up. All weights have been optimized with our proprietary risk-aversion model.

Technical Analysis

Our main objective from now on is to monitor cautiously the QE's impacts on our investment universe. Based on our tools used in our proprietary Technical Analysis approach (MAs of prices, RSI, Support & Resistance levels, Volumes & their MAs), complemented with the last methods learned in class, particularly the Bollinger & Keltner Bands, we conducted this week again new analyses on our entire investment universe to pick the best stocks available and to test our current holdings. We investigated stocks that we had never invested in before. Here are the latest changes: we have taken several new Long positions (Unicredit, Air Liquide, Axa and Total) while shifting from a negative to a positive exposure on E.ON SE. This new allocation will help us stretch our portfolio's diversification, reducing volatility, locking-in returns while minimizing reversal risks.

Risks Indicators*

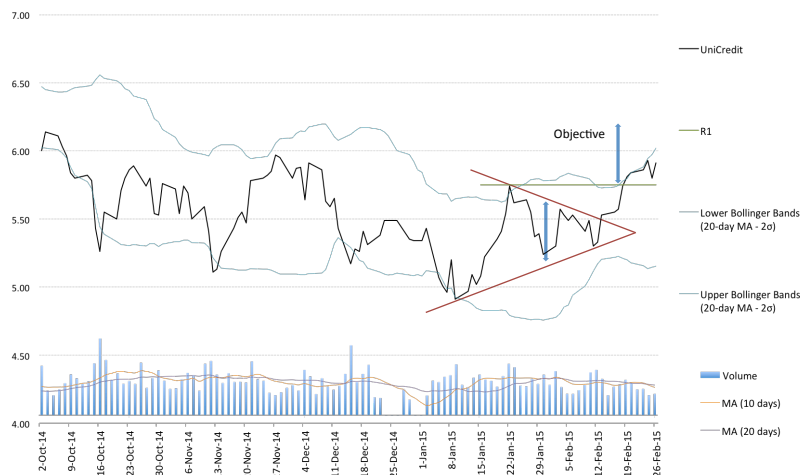
- To determine the optimal weights to implement, we have minimized the variance of the portfolio with constraints on the weights and a minimal return target for the portfolio, using the returns of the stocks and their variance covariance matrix.
- Market Risk: we are exposed to reversals in our selected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

Since Inception	Lion Equities	SX5E
VaR-95% 1 day	-1,83%	-0,95%
CVaR-95% 1 day	-2,71%	-1,66%
CVaR-99% 1 day	-3,50%	-2,14%

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

Technical Analysis

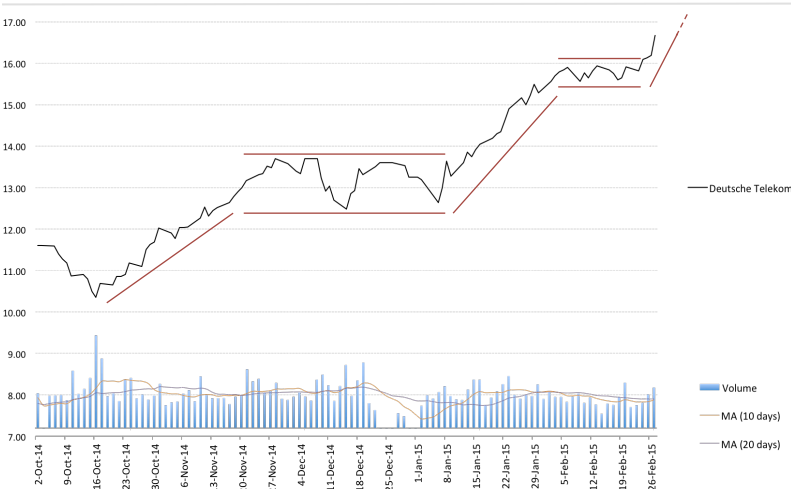
Comments



UniCredit SpA

UniCredit is coming close to its latest resistance level of EUR 5.97 of November 27th 2014. The price just crossed the 30-day, 60-day and 90-day Moving Averages and the 30-day MA broke upward both the 60-day and 90-day MAs on Friday. More importantly, on the medium run, we can observe a Reversal Symmetric Triangle whose Trigger Level has already been broken, which could indicate a potential upward move of the price up to EUR 6.20. This is also supported by the opening of the jaw of the Bollinger Bands and the MACD which is positive and above the signal line.

This analysis led us to open a cautious Long position on UniCredit since volumes are not increasing.



Deutsche Telekom AG

After a consolidation period, Deutsche Telekom just broke its resistance level of EUR 15.90. This consolidation period was following a strong uptrend and it is now likely that a second Bull Flag could be on its way.

The price is above the 30-day, 60-day and 90-day Moving Averages since January 2015.

On Thursday, the volume just crossed the 10-day and 20-day MAs suggesting volumes are piling up and confirming the beginning of an upward trend. The price just broke the Bollinger Bands upward.

This analysis allowed us to confirm and reinforce our Long position on Deutsche Telekom.



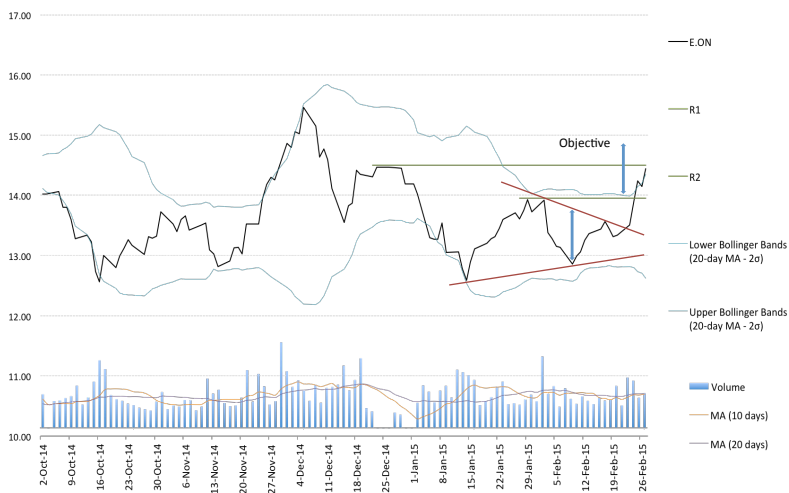
Total SA

Total picked up an uptrend since January (after volumes violently increased in December then dropped to record lows), which led the 30-day MA to cross both the 60 and 90-day MAs in the first half of February. The stock price is also on the verge of breaking the narrowing Bollinger Bands upwards, whispering a strong short-term potential uptrend. Volumes are building up ever since they dropped in December 2014, crossing both 10-day and 20-day moving averages today.

We believe this is a sign that the strong uptrend will persist in the coming weeks; we thus launched a Long position in order to ride the trend with limited volatility risk.

Technical Analyses

Comments



E.ON SE

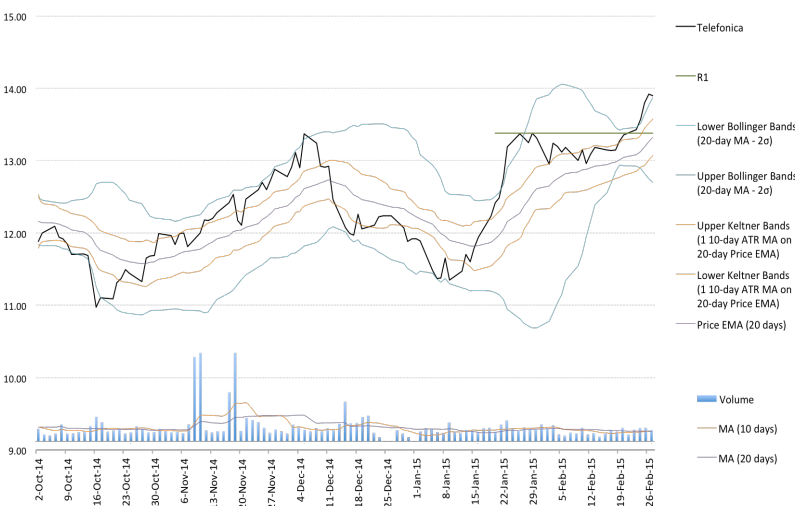
E.ON SE is coming close to its latest resistance level of EUR 14.46 of December 23rd 2014.

The price just crossed the 30-day, 60-day and 90-day Moving Averages.

More importantly, on the medium run, we can observe a Symmetric Triangle whose Trigger Level of EUR 13.95 is about to be broken, which could indicate a potential upward move of the price up to EUR 15.80.

This is also supported by the opening of the jaw of the Bollinger Bands.

This analysis led us to cover our Short position of 10% on E.ON and to enter into a Long position.



Telefonica SA

Telefonica recently broke its last resistance level of EUR 13.38. The MA 30 days just crossed the MA 50 days and is also higher than the MA 200 days since the end of January. Volume is accumulating and breached the MA 10 & 20 days. There has been a squeeze of the lower Bollinger Band and almost of the upper one between the Keltner bands, followed by a wide opening of the Bollinger Bands' jaw.

This supports the existence of a bullish trend unfolding, confirmed by the recent crossing of the upper Bollinger Band by the price.

Air Liquide SA

Air Liquide has broken on Friday morning its resistance level of EUR 116 to reach EUR 118.10 at the end of the day.

Recently, the price broke upward the Bollinger Band.

These are signals that are leading us to open a long position of 7%.

However, this long position will be monitored on the following days given that volumes have been decreasing for a few days.

AXA SA

Axa has announced on Wednesday morning a net profit increasing by 12% in 2014 which led the stock to jump from EUR 21.44 to EUR 22.11 at the end of the day. Furthermore, there is also an opening of the jaw of the Bollinger Bands which the price broke upward this week. Finally, an MACD which is positive and above the signal line can be observed. Increasing volumes have been observed as well on the last days.

These are long positions signals and we have decided to open a cautious long position in order to avoid any loss due to a price revolving following such news.

Essilor International SA

Essilor has broken its previous resistance level of EUR 99.36. The MA 30 days is above both the MA 50 & 200 days. After a huge redemption at the end of January, volume is piling up once again. We have observed a squeeze of the downward Bollinger Band between the Keltner Bands, signaling a decrease of volatility which has not lasted and has been followed by a bullish trend which made the price crossed upward the Bollinger Bands. This trend is supported by the opening of the jaw of the Bollinger Bands.

We thus believe there is a good timing to enter in this Long position.