

Dear Shareholder,

June was a good month for equity indices (S&P 500 NR +2.3%, MSCI Europe NR +1.7%), which recorded their fifth consecutive month of gains. Nothing seems to stand in the way of this powerful uptrend. However, the Fed's perceived less accommodative communication could have been a pretext for a healthy correction of the indices. As well as the rise of fears related to the worrying development of the Delta variant. Investors finally preferred to focus on the good health of the economy, materialized by an economic momentum indicator that is still progressing on both sides of the Atlantic. In Europe, our indicator even reached a record level.

However, the relative behaviour of the various market segments evolved in a counter-trend manner during the month. The Visibility/Quality style, thanks to the good performance of the Food and especially the Health Care sectors, stood out in June and made up for some of its decline since the beginning of the year. Conversely, Value underperformed and suffered from the flattening of the yield curve.

Digital funds posted their eighth consecutive month of gains, but slightly underperformed the large cap indices in June. The month was marked by a rebound of quality/non-cyclical stocks (healthcare, food), which had a disappointing start to the year. The energy sector also performed well. Conversely, the winners of 2021 were behind: financials, consumer discretionary, commodities and small and mid-caps. The negative impact of the sector allocation was largely offset by the strong performance of our exposure to shipping (MPC Container Ships, Hapag Lloyd, D/S Norden) and semiconductor (ASM International, Aixtron) stocks.

**The monthly performance of Digital Stars Europe Acc was +1.1%**, compared to +1.7% for the MSCI Europe NR. **Digital Stars Europe Ex-UK Acc ended June at +1.1%** compared to +2% for the MSCI Europe ex UK NR. **Digital Stars Eurozone Acc achieved +1.6%** against +1.1% for the MSCI EMU NR.

The rebalancing carried out in June covered all capitalisations. They are more diversified and less cyclical than the previous ones. While we continue to include stocks in the industrial and construction sectors, we are also selecting several healthcare stocks. We are again selling renewable energy and insurance stocks, as well as basic materials. Digital Stars Europe remains overweight in industrials, technology and consumer discretionary. The fund is underweight food, healthcare and utilities and neutral on basic materials and financials. The UK remains the largest weighting at 17.6%, ahead of Sweden 15% and Germany 12.1%.

**Digital Stars Europe Smaller Companies Acc gained +0.8% in June, outperforming the MSCI Europe Small Cap NR (-0.5%).** Despite a difficult start to the month, the fund's good selection allowed it to outperform, mainly thanks to transport/logistics companies, but also to other industrials or healthcare stocks.

During latest monthly portfolio review, the model notably reduced holdings in financials and materials, and increased holdings in healthcare.

The portfolio is still significantly overweight in industrials and underweight in real estate. Germany (18.1%), still clearly overweight, becomes the fund's leading country, just ahead of the United Kingdom (17.9%), which remains very underweight.

**Digital Stars US Equities Acc USD finished slightly down -0.2% this month, behind the S&P 500 NR at +2.3%**, and the Russell 2000 NR at +1.9%. The portfolio's low representation in large-cap "growth/quality" stocks explains much of the month's underperformance. The fund still shows a comfortable advance on the market since the beginning of the year.

The latest monthly portfolio review strengthened industrials, as well as consumer discretionary and real estate; financials were reduced, as were semiconductors.

The portfolio is overweight in consumer cyclicals, industrials and banks, and underweight in media, technology and healthcare.

30/06/2021	YTD	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	Since Inception	Inception Date
<b>Digital Stars Europe</b>	<b>20.3%</b>	<b>15.6%</b>	<b>31.4%</b>	<b>-19.5%</b>	<b>23.7%</b>	<b>0.7%</b>	<b>24.7%</b>	<b>3.5%</b>	<b>36.0%</b>	<b>22.7%</b>	<b>-16.0%</b>	<b>32.6%</b>	<b>37.0%</b>	<b>-48.3%</b>	<b>1.8%</b>	<b>796.4%</b>	13/11/1998
MSCI Europe NR	15.4%	-3.3%	26.0%	-10.6%	10.2%	2.6%	8.2%	6.8%	19.8%	17.3%	-8.1%	11.1%	31.6%	-43.6%	2.7%	199.1%	
MSCI Europe Small Cap NR	15.5%	4.6%	31.4%	-15.9%	19.0%	0.9%	23.5%	6.5%	33.4%	27.0%	-17.5%	29.9%	59.5%	-51.9%	-7.5%	659.5%	
<b>Digital Stars Europe Ex-UK</b>	<b>21.1%</b>	<b>20.2%</b>	<b>30.1%</b>	<b>-17.2%</b>	<b>25.0%</b>	<b>5.0%</b>	<b>24.7%</b>	<b>3.6%</b>	<b>37.1%</b>	<b>22.4%</b>	<b>-21.4%</b>	<b>32.3%</b>	<b>36.1%</b>	<b>-42.2%</b>	<b>9.7%</b>	<b>370.4%</b>	30/06/2006
MSCI Europe ex UK NR	15.1%	1.7%	27.1%	-10.9%	11.4%	2.4%	10.7%	6.4%	22.1%	19.4%	-12.4%	8.6%	28.4%	-42.7%	5.2%	121.4%	
MSCI Europe ex UK Small Cap NR	15.6%	11.7%	28.5%	-15.8%	20.3%	5.5%	25.0%	5.9%	33.5%	22.8%	-21.9%	26.6%	55.9%	-50.8%	-2.0%	234.9%	
<b>Digital Stars Eurozone</b>	<b>22.3%</b>	<b>18.3%</b>	<b>30.5%</b>	n.s.	--	--	--	--	--	--	--	--	--	--	--	<b>52.7%</b>	01/10/2018
MSCI EMU NR	15.3%	-1.0%	25.5%	n.s.	--	--	--	--	--	--	--	--	--	--	--	24.5%	
MSCI EMU Small Cap NR	16.8%	5.5%	28.2%	n.s.	--	--	--	--	--	--	--	--	--	--	--	31.9%	
<b>Digital Stars Europe Smaller Companies</b>	<b>20.2%</b>	<b>27.3%</b>	<b>29.7%</b>	<b>-21.2%</b>	<b>32.6%</b>	n.s.	--	--	--	--	--	--	--	--	--	<b>109.4%</b>	16/12/2016
MSCI Europe Small Cap NR	15.5%	4.6%	31.4%	-15.9%	19.0%	n.s.	--	--	--	--	--	--	--	--	--	61.2%	
<b>Digital Stars US Equities</b>	<b>28.6%</b>	<b>23.8%</b>	<b>28.9%</b>	<b>-13.2%</b>	n.s.	--	--	--	--	--	--	--	--	--	--	<b>84.4%</b>	16/10/2017
S&P 500 NR	15.0%	17.8%	30.7%	-4.9%	n.s.	--	--	--	--	--	--	--	--	--	--	76.4%	
Russell 2000 NR	17.4%	19.5%	25.0%	-11.4%	n.s.	--	--	--	--	--	--	--	--	--	--	59.2%	

Our readers can access the monthly report for each sub fund, by clicking on the link “Monthly Factsheet” above.

Your sales and marketing contact and the portfolio management team can be contacted, should you require more information about Digital Funds or our stock market Outlook.

If you would like to unsubscribe from this monthly report, please email [info@chahinecapital.com](mailto:info@chahinecapital.com)

Best Regards,

The Asset Management Team

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