



1 – Introduction

We have decided at a corporate-level to exclude certain sectors and practices from our entire range of long-only funds.

Thus, we exclude, according to norm-based criteria:

- Companies that manufacture or distribute anti-personnel mines from all of our portfolios according to the Ottawa Treaty (enforced in 1999);
- Companies that manufacture or distribute cluster munitions from all of our portfolios in accordance with the Convention on Cluster Munitions (enforced in 2010);
- Companies that do not comply with fundamental ethical standards (UN Global Compact), such as violation of individual rights, non-respect of human rights, major environmental damage, etc;
- Companies domiciled in controversial “Call to Action” jurisdictions (e.g. Iran and North Korea) identified by the Financial Action Task Force.

We do not invest in companies breaching fundamental ethical standards (violation of individual rights, non-respect of human rights, severe environmental damage, etc.), including companies whose operations or suppliers violate the 10 principles of the UNGC (United Nations Global Compact). We rely on the exclusion list established by Norges Bank, on RepRisk’s UNGC Violator Flag and FactSet.

Weapons sector

We also have banned investment in companies active in the production, sales and distribution of non-conventional weapons such as cluster bombs, anti-personnel mines and nuclear weapons. If production, sale or distribution of conventional weapons (war material usually considered less controversial) represents more than 5% of revenues, we do not invest in the company.

Energy sector

Chahine Capital has also decided not to invest in companies whose income from coal mining activities (thermal coal, metallurgical coal, and coke) exceeds 10% of their total revenue. Companies whose coal-fired electricity generation represents more than 10% of turnover (or the production capacity exceeds 10,000 MW) or production, sale or distribution of nuclear-based power generation exceeds 5% of turnover are excluded. This includes uranium extraction, uranium concentration, refining, conversion and enrichment, the production of nuclear fuel structures, construction and use of nuclear reactors. It also includes treatment of spent nuclear fuel, nuclear decommissioning and radioactive waste management. Moreover, in energy sector, if the sum of activities related to unconventional oil and gas, such as oil sands extraction, shale oil, shale gas and Arctic drilling represents more than 5% of revenues.

Tobacco sector

In addition, companies involved in traditional or related tobacco (such as tobacco e-cigarettes, new generation tobacco/nicotine products) production, tobacco sale or distribution for more than 5% of their turnover are excluded.

Biodiversity sector

Companies whose production of pesticides, palm oil or genetically modified organisms (GMOs) represents more than 5% of their total revenue are also excluded.

Other sectors

Companies with income from activities related to the following sectors are excluded:

- Gambling exceeding 5% of sales
- Alcohol representing more than 20% of the turnover
- Non-medicinal drugs exceeding 5% of the turnover
- Adult entertainment (pornography) representing more than 5% of turnover

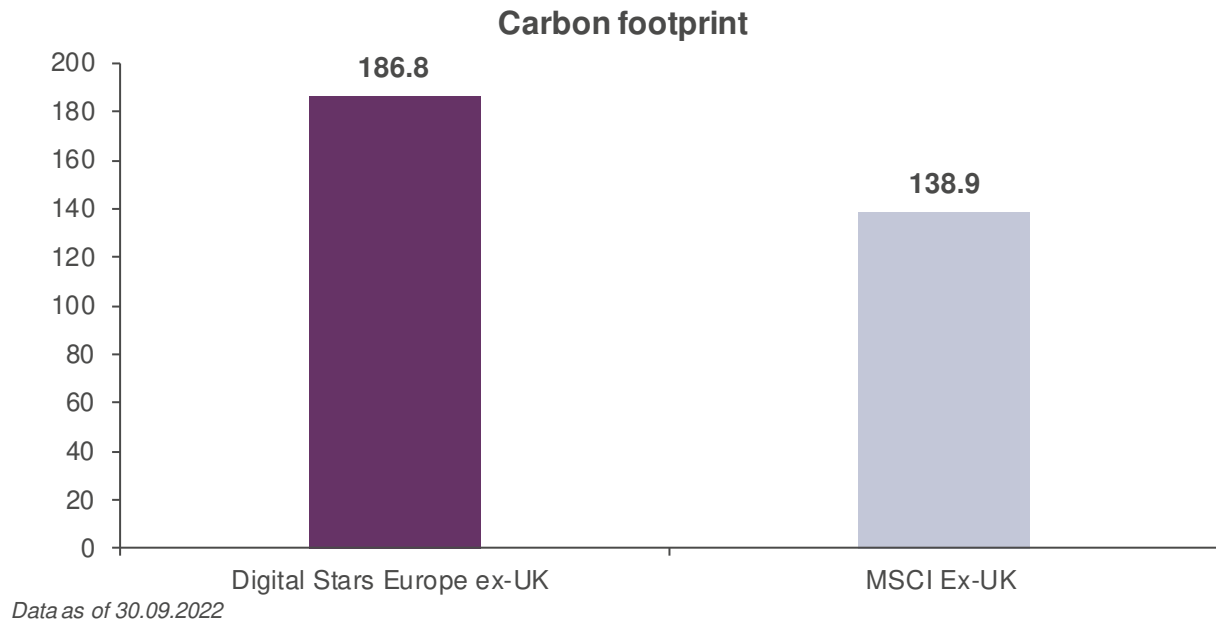
We have supplemented our existing daily-risk policy with a component related to ESG controversies. Indeed, business conduct risks related to human rights, labour, environment and corruption can result in risks to company reputation and profits, and therefore in a risk borne by the final investor. Thus, we exclude companies with a high level of controversy (levels defined in our ESG Risk Control procedure, available on demand). We use the external RepRisk database for this purpose. Finally, we have set up an SRI voting policy and signed the United Nations Principles for Responsible Investment (UNPRI).



2 – Environmental performance

A. Carbon footprint

The carbon footprint of the portfolio is the total carbon emission (scope 1 and scope 2) of the portfolio divided by the portfolio's assets. It is expressed in tons of carbon per million Euros invested.

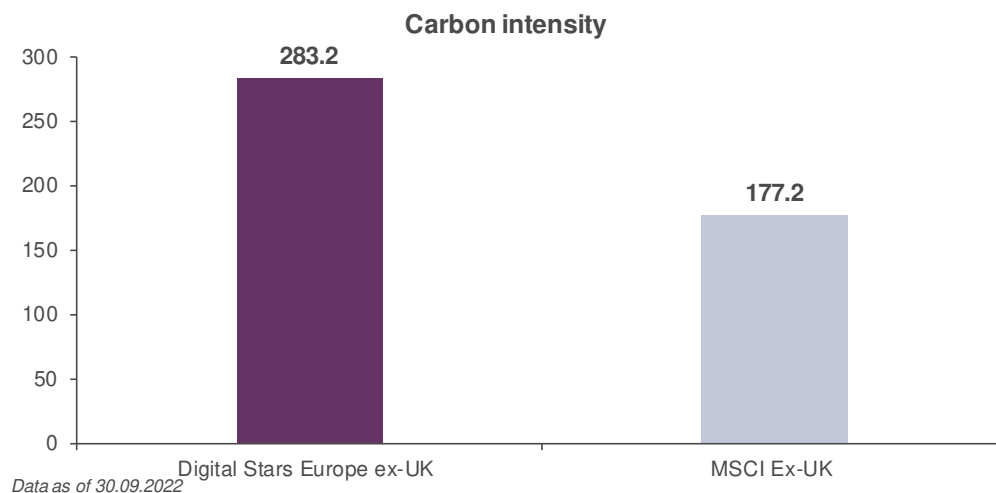


For this indicator, 89% of the portfolio is covered against 96% for the index. Constituents weights were normalised (rebased at 100%) to take into account the partial coverage of the portfolio and/or the benchmark.

Sources: Sustainalytics (carbon footprint scope 1 and scope 2), FactSet (market capitalisation)

B. Carbon intensity

The carbon intensity of the portfolio measures the portfolio's exposure to the most carbon-intensive companies. This indicator is expressed in tons of carbon per million Euros of turnover.



For this indicator, 89% of the portfolio is covered against 97% for the index. Constituents weights were normalised (rebased at 100%) to take into account the partial coverage of the portfolio and/or the benchmark.

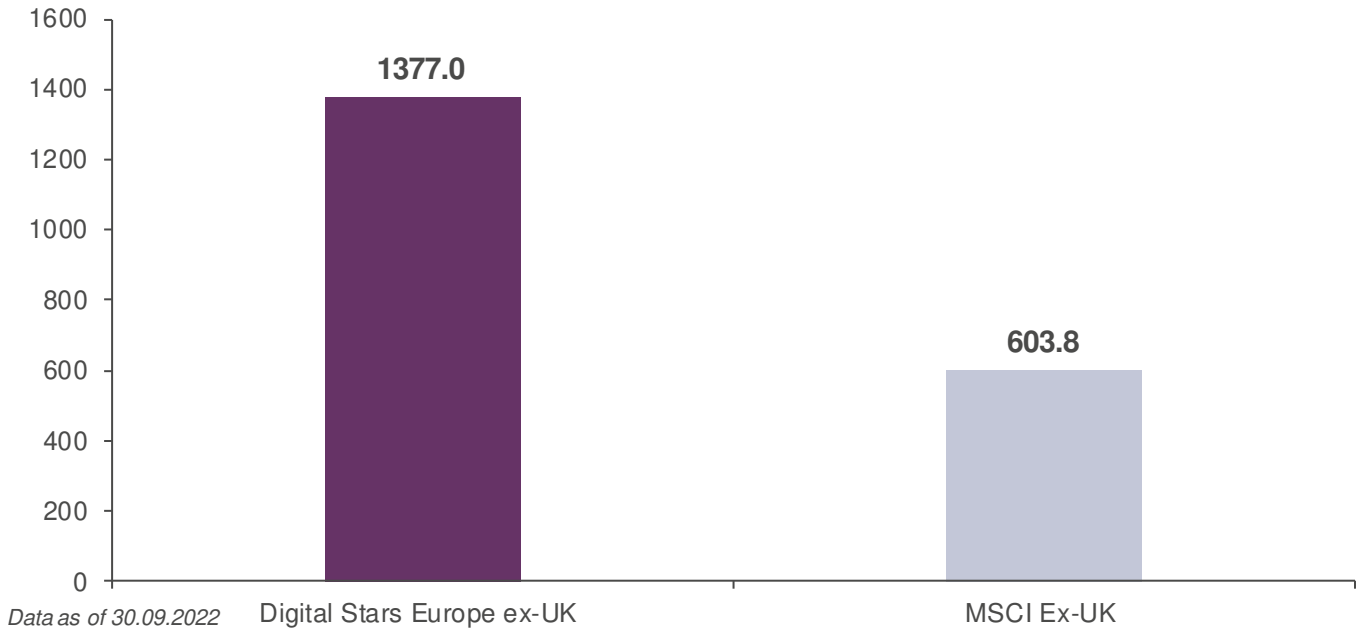
Source: Sustainalytics (carbon footprint scope 1 and scope 2), FactSet (turnover)



C. Water consumption

Water consumption is the total volume of water withdrawn and consumed by a company for its own purposes and not returned to the source from where it was withdrawn. It is expressed in tons of water per million Euros invested.

Water consumption



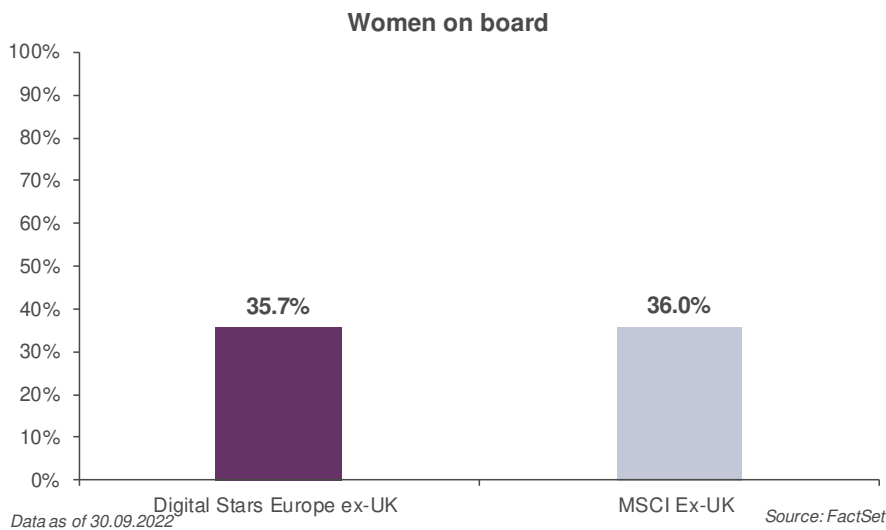
For this indicator, 95% of the portfolio is covered against 99% for the index. Constituents weights were normalised (rebased at 100%) to take into account the partial coverage of the portfolio and/or the benchmark.

Source : Sustainalytics, FactSet

3 – Social performance

A. Women on board

This indicator measures the number of women on the board.

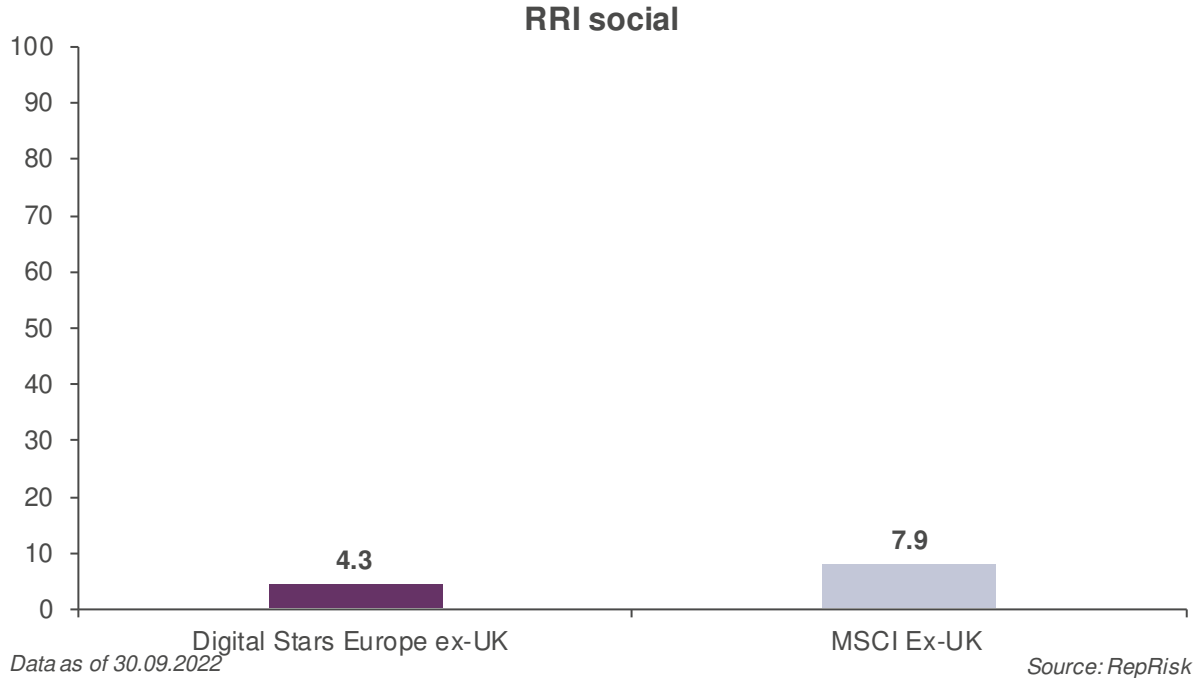


For this indicator, 97% of the portfolio is covered against 100% for the index. Constituents weights were normalised (rebased at 100%) to take into account the partial coverage of the portfolio and/or the benchmark.



B. RRI social – measuring the importance of social controversies

This indicator measures the reputational risk of a company related to social issues based on its controversies. The closer this indicator is to 100, the higher the risk. For more details, see glossary.

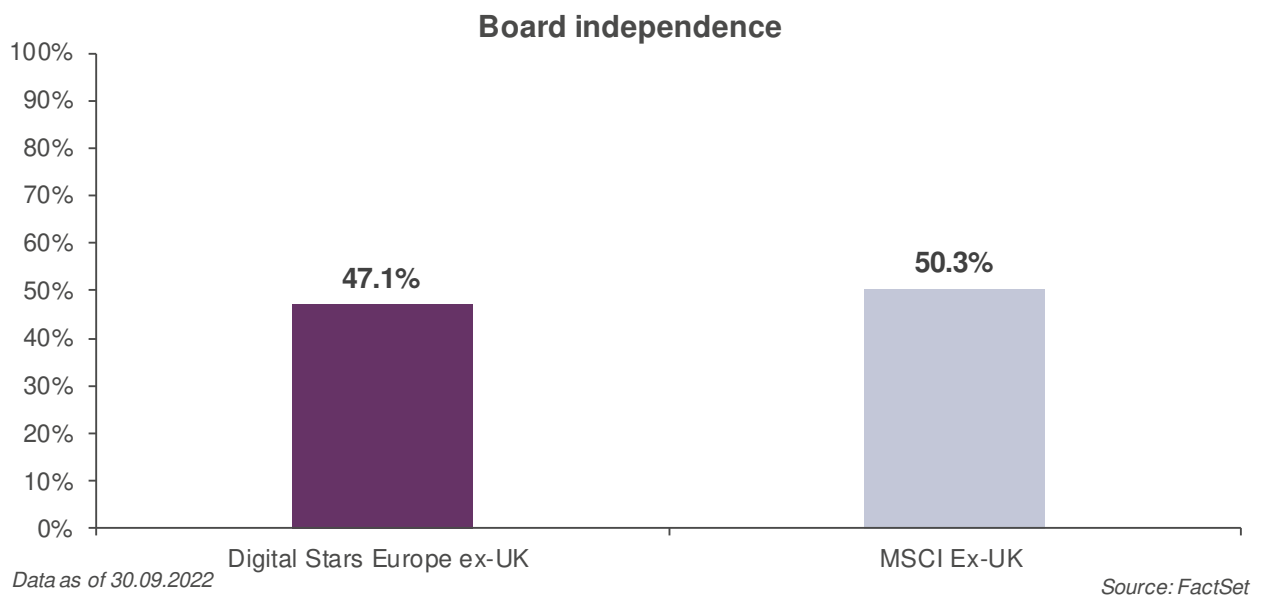


For this indicator, 97% of the portfolio is covered against 99.9% for the index. Constituents weights were normalised (rebased at 100%) to take into account the partial coverage of the portfolio and/or the benchmark.

4 – Governance performance

A. Board independence

This indicator measures the number of independent directors in the overall number of directors.

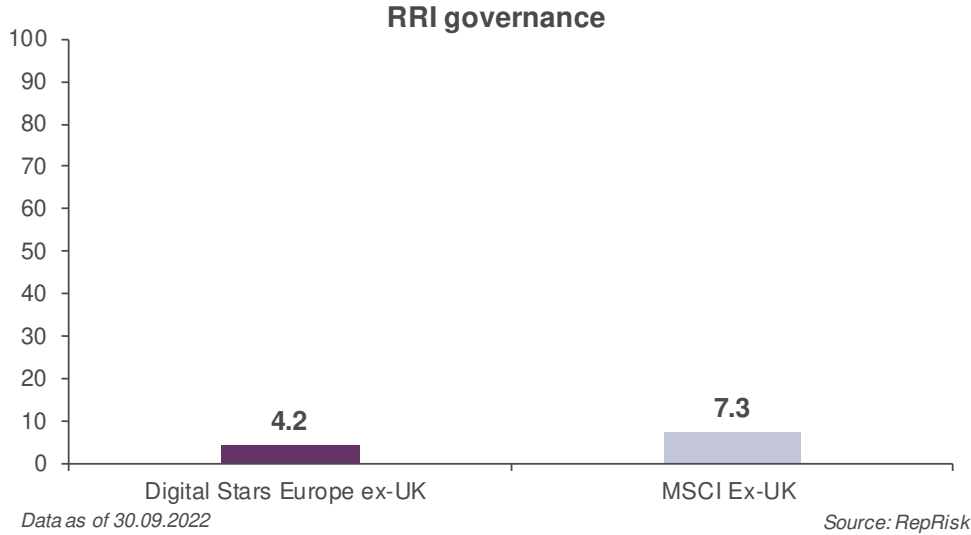


For this indicator, 97% of the portfolio is covered against 100% for the index. Constituents weights were normalised (rebased at 100%) to take into account the partial coverage of the portfolio and/or the benchmark.



B. RRI governance

This indicator measures the reputational risk of a company related to governance issues based on its controversies. The closer this indicator is to 100, the higher the risk. For more details, see glossary.



For this indicator, 97% of the portfolio is covered against 100% for the index. Constituents weights were normalised (rebased at 100%) to take into account the partial coverage of the portfolio and/or the benchmark.

5 – ESG controversies (RepRisk)

CURRENT RRI (REPRISK INDEX): ESG REPUTATIONAL RISK (Data as of 30/09/2022)

This indicator measures the reputational risk of companies related to ESG controversies. It is calculated as a weighted average. The closer this indicator is to 100, the higher the risk. For more details, see glossary.

Digital Stars Europe Ex-UK: 11 / 100
MSCI Europe ex UK: 27 / 100

Digital Stars Europe Ex-UK exhibits a weighted average RRI 59% below that of its benchmark (MSCI Europe ex UK).

PEAK RRI: 2-YEAR PEAK ESG REPUTATIONAL RISK (Data as of 30/09/2022)

This indicator is based on the highest RRI of companies over the last two years. It is calculated as a weighted average.

Digital Stars Europe Ex-UK: 21 / 100
MSCI Europe ex UK: 39 / 100

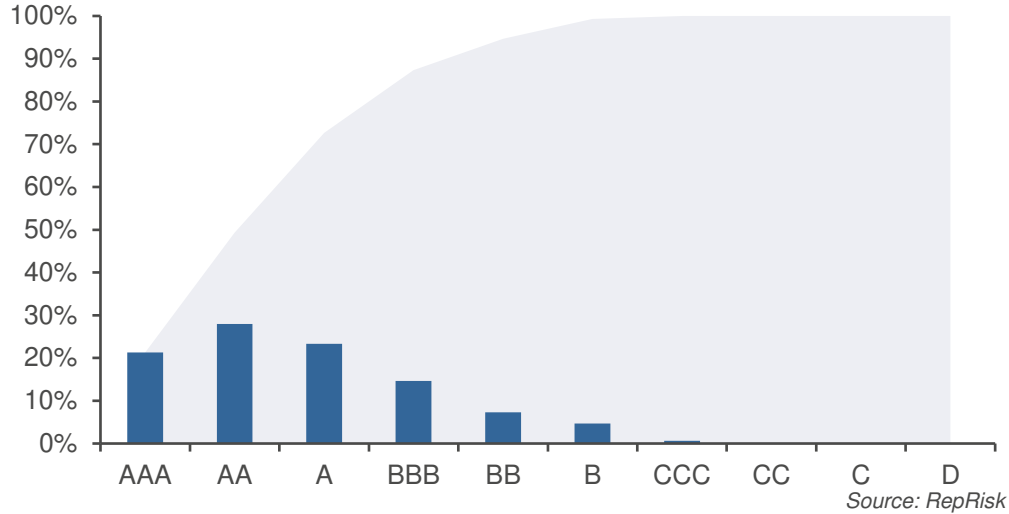
Digital Stars Europe Ex-UK exhibits a weighted average 2-year Peak ESG Reputational Risk 46% below that of its benchmark (MSCI Europe ex UK).

These indicators have a coverage rate, for the portfolio and for the index, of 100%.

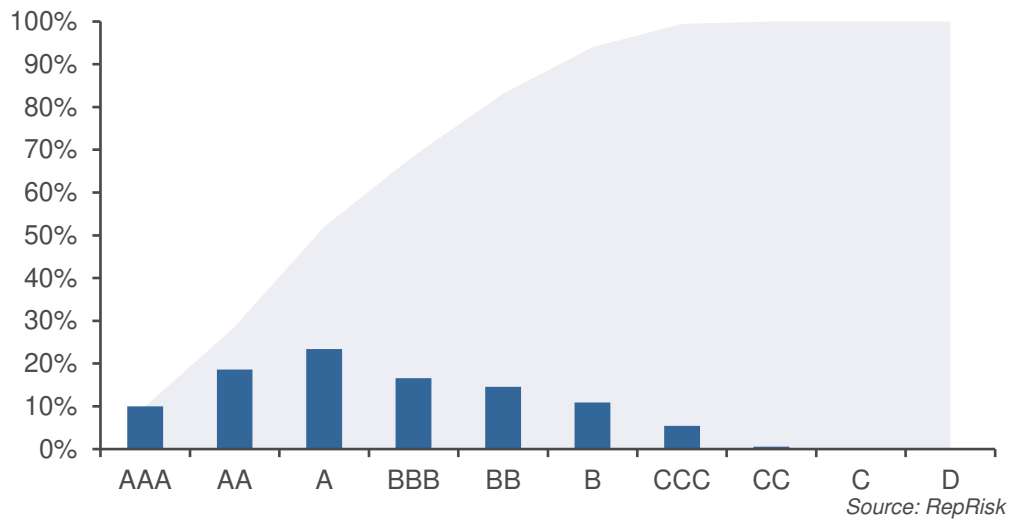


ESG REPRISK RATING

Digital Stars Europe Ex-UK



MSCI Europe ex UK



73% of the fund stocks have an ESG RepRisk Rating AAA, AA, A, vs. 52% for the benchmark.

6 – Excluded companies

5 companies have been excluded during Q3 2022 in a portfolio composed of 150 stocks.

Excluded companies in Digital Stars Europe Ex-UK in Q3 2022 were in the healthcare, materials, finance and energy sectors.

Date	Fund	Stock	ISIN	Exclusion Criteria	Remark
28/07/2022	Digital Stars Europe Ex-UK	Sanofi		RFRI 42>40 violation of US consumer act, and Dengvaxia case in Philippine	Sold from Portfolio
10/08/2022	Digital Stars Europe Ex-UK	Metsa Board Oyj Class B	FI0009000665	Tobacco (reevaluation of the sales of paper for Tobacco)	Sold from Portfolio
30/08/2022	Digital Stars Europe Ex-UK	Mapfre SA	ES0124244E34	UNGC Potential violator (related to Repsol pollution in Peru)	Sold from Portfolio
14/09/2022	Digital Stars Europe Ex-UK	Solvay SA	BE0003470755	RFRI 44>40 (Pollution - discharging waste into the Italian sea)	Sold from Portfolio
27/09/2022	Digital Stars Europe Ex-UK	Vallourec SA	FR0013506730	UNGC Potential violator (Environment)	Sold from Portfolio



24 companies have not been integrated during the various latest rebalancings due to ESG criteria:

Date	Fund	Stock	ISIN	Exclusion Criteria	Remark
12/07/2022	Digital Stars Europe Ex-UK	Remy Cointreau SA	FR0000130395	Alcohol	Not integrated Earnings and NN Momentum
12/07/2022	Digital Stars Europe Ex-UK	Davide Campari-Milano N.V.	NL0015435975	Alcohol	Not integrated Earnings and NN Momentum
12/07/2022	Digital Stars Europe Ex-UK	Evolution Gaming Group AB	SE0012673267	Gambling	Not integrated Earnings Momentum
12/07/2022	Digital Stars Europe Ex-UK	Pepsol SA	ES0173516115	RRI 55>40 UNGC violator (Environment), Pollution in Peru	Not integrated Earnings and NN Momentum
12/07/2022	Digital Stars Europe Ex-UK	Eni S.p.A.	IT0003132476	RRI 46>40 Pollution and Corrupt Oilfield deal	Not integrated Earnings Momentum
12/07/2022	Digital Stars Europe Ex-UK	TotalEnergies SE	FR0000120271	RRI 54>40 violation of the Equator Principles' environmental guideline	Not integrated Earnings Momentum
28/07/2022	Digital Stars Europe Ex-UK	Swedish Match AB	SE0000310336	Tobacco	Not integrated via Price Momentum
28/07/2022	Digital Stars Europe Ex-UK	Electricite de France SA	FR0010242511	Nuclear Power	Not integrated Price Momentum
28/07/2022	Digital Stars Europe Ex-UK	LeoVegas AB	SE0008091904	Gambling	Not integrated Price Momentum
28/07/2022	Digital Stars Europe Ex-UK	La Francaise de l'Energie SA	FR0013030152	Non Conventional Gas	Not integrated Price Momentum
28/07/2022	Digital Stars Europe Ex-UK	HENSOLDT AG	DE000HAG0005	Weapons	Not integrated Price Momentum
28/07/2022	Digital Stars Europe Ex-UK	Betsson	SE0015672282	Gambling	Not integrated Price Momentum
10/08/2022	Digital Stars Europe Ex-UK	Remy Cointreau SA	FR0000130395	Alcohol	Not integrated Earnings and NN Momentum
10/08/2022	Digital Stars Europe Ex-UK	Davide Campari-Milano N.V.	NL0015435975	Alcohol	Not integrated Earnings and NN Momentum
10/08/2022	Digital Stars Europe Ex-UK	Betsson	SE0015672282	Gambling	Not integrated NN Momentum
30/08/2022	Digital Stars Europe Ex-UK	La Francaise de l'Energie SA	FR0013030152	Non Conventional Gas	Not integrated Price Momentum
30/08/2022	Digital Stars Europe Ex-UK	Swedish Match AB	SE0000310336	Tobacco	Not integrated Price Momentum
30/08/2022	Digital Stars Europe Ex-UK	Electricite de France SA	FR0010242511	Nuclear Power	Not integrated Price Momentum
14/09/2022	Digital Stars Europe Ex-UK	Betsson	SE0015672282	Gambling	Not integrated Earnings and NN Momentum
14/09/2022	Digital Stars Europe Ex-UK	Davide Campari-Milano N.V.	NL0015435975	Alcohol	Not integrated Earnings and NN Momentum
27/09/2022	Digital Stars Europe Ex-UK	Swedish Match AB	SE0015812219	Tobacco	Not integrated Price Momentum
27/09/2022	Digital Stars Europe Ex-UK	Electricite de France SA	FR0010242511	Nuclear Power	Not integrated Price Momentum
27/09/2022	Digital Stars Europe Ex-UK	Carlsberg AS Class B	DK0010181759	Alcohol	Not integrated Price Momentum
27/09/2022	Digital Stars Europe Ex-UK	BKW AG	CH0130293662	Nuclear Power (10%)	Not integrated Price Momentum



7 – Glossary

Portfolio carbon footprint: total CO₂ emissions (scope 1 and scope 2) of the portfolio divided by the portfolio's assets. It is expressed in tons of CO₂ per million euros invested.

Portfolio carbon Intensity: a measure of the portfolio's exposure to the most carbon-intensive companies.

Portfolio coverage: proportion of assets invested in a company (if available data).

RepRisk Index (RRI): A quantitative measure that dynamically captures a company's or project's reputational risk related to ESG issues. The RRI facilitates an initial assessment of the ESG risks associated with investments or business relationships, allows the comparison of a company's exposure with that of its peers, and helps track risk trends over time.

The RRI ranges from zero (lowest) to 100 (highest). The higher the value, the higher the risk exposure:

0-24: generally denotes low risk exposure

25-49: represents medium risk exposure

50-59: denotes high risk exposure

60-74: denotes very high risk exposure

75-100: denotes extremely high risk exposure

The RRI is broken down into:

- **RRI environmental:** reputational risk of a company to environmental issues

- **RRI social:** the reputational risk of a company to social issues

- **RRI governance:** reputational risk of a company to governance issues

RRI Trend: indicates the increase or decrease in RRI over the last 30 days.

Peak RRI: the maximum value reached by the RRI over the past two years.

RepRisk Rating (RRR): A letter rating that facilitates corporate benchmarking against a peer group and the sector, as well as integration of ESG and business conduct risks into business processes. The Rating provides decision support in risk management, compliance, investment management, and supplier risk assessment.

The RepRisk Rating ranges from AAA to D:

AAA, AA, A denotes low ESG risk exposure

BBB, BB, B denotes moderate ESG risk exposure

CCC, CC, C denotes high ESG risk exposure

D denotes very high ESG risk exposure

Water consumption: Water consumption is the total volume of water withdrawn and consumed by a company for its own purposes and not returned to the source from where it withdrew it, expressed in tons of water.