

Dear Shareholder,

Equity indices rebounded strongly in October, returning to their early September levels. For the fifth month in a row, we can observe a variation in absolute terms of more than 5% in the European indices. This has not been observed since October 1997. The same kind of phenomenon can be spotted on the other side of the Atlantic.

While the macro-economic context remains gloomy and dominated by inflation, which is still rising in Europe to double digits and which is falling only very modestly in the United States, investors have preferred to focus on attractive fundamentals during this quarterly publication period. Furthermore, the expectation of an accommodative Fed pivot as early as Q2 2023 is growing and is fuelling the idea that the recession will be short-lived and that the peak of inflation in the US is now behind us.

This monthly rise was driven by cyclical sectors, led by the energy sector, which has been the only positive sector since the beginning of the year. Defensive stocks rose to a lesser extent. The difficulties of the semiconductor sector, impacted by the disappointing results of TSMC and the export control measures imposed by the United States on China, should be noted. **Digital Stars Europe Acc joined this market rebound and posted a monthly performance of +5.7%** compared to +6.2% for the MSCI Europe NR. **Digital Stars Continental Europe Acc (formerly Digital Stars Europe Ex-UK) ended October at +6%** compared to +6.6% for the MSCI Europe ex UK NR. **Digital Stars Eurozone Acc achieved +6.4%** against +7.9% for the MSCI EMU NR.

The rebalancing carried out in October was diversified, favouring large caps. Banks were reinforced. We also integrated some defensive stocks and luxury goods. Exposure to commodities was slightly lowered. The price momentum has moved out of telecom stocks, as the fund continues to adapt to a higher interest rate environment. Digital Stars Europe is overweight energy (7%), technology (3.3%) and basic materials (3%). The fund is underweight in healthcare (10.8%), consumer discretionary (3.5%) and consumer staples (3.3%). UK is the largest weighting at 14.9%, ahead of Germany at 11.7% and the Netherlands at 11%.

The rebound particularly benefited small and mid caps, allowing **Digital Stars Europe Smaller Companies Acc to finish up at +8.6% in October**, compared to +7.0% for the MSCI Europe Small Cap NR. The fund's good performance continues to be led by the energy sector. Some marine transportation stocks are performing remarkably well, as well as others driven by their good news flow.

The monthly portfolio reviews focused on strengthening industrials, as well as media and materials. Sales were mainly in consumer cyclicals (textile and apparel).

The portfolio is still significantly overweight in energy, as well as in utilities, and underweight in real estate, finance and pharmaceuticals.

The United Kingdom (the most largely underweight country) is still the largest country weight with 16.6%, ahead of Germany (12.0%). Norway's weight sits at 9.9%, and the country remains the most largely overweight.

Digital Stars US Equities Acc USD returned +11.6% in October, outperforming the MSCI USA NR at +7.9% and the MSCI USA Small Cap NR at +10.3%. Energy was the best performing sector in the fund over the month. Good news flows benefited some of the fund's stocks, notably in industry and finance.

The latest monthly portfolio review, which was fairly diversified, strengthened financials, energy and materials, and reduced retail, industrials and technology.

The portfolio is significantly overweight in banking, industrials and energy, and underweight in technology, pharmaceuticals and media.



Historical net performance

31/10/2022	YTD	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	Since Inception	Inception Date
Digital Stars Europe Acc	-28.6%	30.7%	15.6%	31.4%	-19.5%	23.7%	0.7%	24.7%	3.5%	36.0%	22.7%	-16.0%	32.6%	37.0%	-48.3%	595.3%	13/11/1998
MSCI Europe NR	-12.2%	25.1%	-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%	184.7%	
MSCI Europe Small Cap NR	-25.2%	23.8%	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%	509.0%	
Digital Stars Continental Europe Acc	-28.0%	33.9%	20.2%	30.1%	-17.2%	25.0%	5.0%	24.7%	3.6%	37.1%	22.4%	-21.4%	32.3%	36.1%	-42.2%	274.4%	30/06/2006
MSCI Europe ex UK NR	-15.5%	24.4%	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%	102.3%	
MSCI Europe ex UK Small Cap NR	-23.8%	24.6%	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%	174.9%	
Digital Stars Eurozone Acc	-26.3%	32.0%	18.3%	30.5%	n.s.	--	--	--	--	--	--	--	--	--	--	21.5%	01/10/2018
MSCI EMU NR	-16.2%	22.2%	-1.0%	25.5%	n.s.	--	--	--	--	--	--	--	--	--	--	10.6%	
MSCI EMU Small Cap NR	-20.5%	23.3%	5.5%	28.2%	n.s.	--	--	--	--	--	--	--	--	--	--	10.7%	
Digital Stars Europe Smaller Companies Acc	-22.0%	33.6%	27.3%	29.7%	-21.2%	32.6%	n.s.	--	--	--	--	--	--	--	--	81.7%	16/12/2016
MSCI Europe Small Cap NR	-25.2%	23.8%	4.6%	31.4%	-15.9%	19.0%	n.s.	--	--	--	--	--	--	--	--	29.3%	
Digital Stars US Equities Acc	-22.6%	37.9%	23.8%	28.9%	-13.2%	n.s.	--	--	--	--	--	--	--	--	--	53.0%	16/10/2017
MSCI USA NR	-19.2%	26.5%	20.7%	30.9%	-5.0%	n.s.	--	--	--	--	--	--	--	--	--	60.8%	
MSCI USA Small Cap NR	-15.7%	19.1%	18.3%	26.7%	-10.4%	n.s.	--	--	--	--	--	--	--	--	--	39.7%	
Digital Market Neutral Europe Acc EUR	-0.8%	9.4%	-9.0%	--	--	--	--	--	--	--	--	--	--	--	--	-1.3%	27/01/2020
€STR Compounded Index	-0.3%	-0.6%	-0.5%	--	--	--	--	--	--	--	--	--	--	--	--	-1.3%	

Past performance is not indicative of future returns

Do not hesitate to reach your sales contact for more information about Digital Funds.

If you would like to unsubscribe from this monthly report, please email info@chahinecapital.com

Best Regards,
The Investment Management Team

The future performance of an investment cannot be deduced from previous market value, i.e. the value of an investment may fall as well as rise. An investment may also lose value due to changes in rates of foreign exchange. Chahine Capital cannot guarantee that any capital invested will maintain or increase in value.