



Dear Shareholder,

In November equity indices continued their strong rebound, first initiated in October. The MSCI Europe NR index and the S&P 500 NR rose by +6.9% and +5.5% respectively. Since the 2022 market lows seen in mid-October, the rise in the US and Europe has been substantial (circa +15%). A combination of positive factors is behind this spectacular rise. Economic momentum is rebounding, due in particular to confidence indicators that are recovering from historic lows in some cases. Inflation is falling faster than expected in the US, and this reinforces the likelihood of a scenario where central banks cut rates as early as 2023. China could relax its "zero covid" policy, which is hampering global exchanges. Finally, Q3 earnings publications have been solid and highlight the "cheap" valuation of equities.

This monthly rise was driven by growth stocks (technology, consumer discretionary), which benefited from the decline in long-term rates. Conversely, defensive sectors with lower beta (food, telecom and healthcare), as well as the energy sector, posted the weakest performances. The U.S. inflation figures published on November 10, showing a slowdown and thus lowering expectations of rate hikes, triggered two days of violent rebounds in low momentum stocks. The European technology sector, which was down 28% since the beginning of the year on November 9, jumped 9% in two days. The markets then normalized, partially correcting the excesses of these two days. **Digital Stars Europe Acc posted a monthly performance of +5.6%** against +6.9% for the MSCI Europe NR, the underperformance being attributable to the phenomenon of reversion to the mean observed in the middle of the month. **Digital Stars Continental Europe Acc (formerly Digital Stars Europe Ex-UK Acc) ended November at +5.3%** versus +7.1% for the MSCI Europe ex UK NR. **Digital Stars Eurozone Acc achieved +4.7%** versus +8.4% for the MSCI EMU NR.

The rebalancing carried out in November was diversified. Financial stocks (banks and reinsurers) were reinforced. We also integrated some industrial, technology and healthcare stocks. Exposure to basic materials was lowered slightly. The price momentum has also taken out some underperforming energy stocks this month. Digital Stars Europe is overweight energy (6%), technology (3.5%) and basic materials (2.5%). The fund is underweight in healthcare (10.5%), consumer staples (4.6%) and consumer discretionary (2.8%). The United Kingdom is the largest weighting at 13.9%, ahead of Germany at 10.8% and the Netherlands at 10.8%.

The upward trend has also benefited small and medium-sized stocks: **Digital Stars Europe Smaller Companies Acc finished up at +4.6% in November**, compared to +6.3% for the MSCI Europe Small Cap NR. The underperformance stems from the violent upturn on 10-11 November, which mainly favoured technology stocks. Some stocks in the industrial, energy, and materials sectors also weighed negatively on the fund's appreciation. The monthly portfolio reviews focused on strengthening healthcare, as well as industry, finance and consumer staples. Sales were mainly in materials and utilities.

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

The United Kingdom (the most largely underweight country) is still the largest country weight with 16.5%, ahead of Germany (12.6%). Norway now weighs only 8.3%, and is only the 3rd most overweight country, behind Italy and Denmark.

Digital Stars US Equities Acc USD returned +2.1% in November, behind the MSCI USA NR at +5.4% and the MSCI USA Small Cap NR at +4.1%. Strong performances from technology and consumer cyclicals were not enough to offset the strong underperformance of banks.

The latest monthly portfolio review strengthened technology and consumer staples, and reduced consumer discretionary and real estate.

The portfolio remains significantly overweight in banks, industrials and energy, and underweight in pharmaceuticals, technology and media.



Historical net performance

30/11/2022	YTD	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	Since Inception	Inception Date
Digital Stars Europe Acc	-24.6%	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%	634.2%	13/11/1998
MSCI Europe NR	-6.2%	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%	204.4%	
MSCI Europe Small Cap NR	-20.5%	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%	547.5%	
Digital Stars Continental Europe Acc	-24.2%	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%	294.4%	30/06/2006
MSCI Europe ex UK NR	-9.5%	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%	116.6%	
MSCI Europe ex UK Small Cap NR	-19.2%	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%	191.7%	
Digital Stars Eurozone Acc	-22.8%	32.0%	18.3%	30.5%	n.s.	--	--	--	--	--	--	--	--	--	--	27.3%	01/10/2018
MSCI EMU NR	-9.2%	22.2%	-1.0%	25.5%	n.s.	--	--	--	--	--	--	--	--	--	--	19.8%	
MSCI EMU Small Cap NR	-15.8%	23.3%	5.5%	28.2%	n.s.	--	--	--	--	--	--	--	--	--	--	17.3%	
Digital Stars Europe Smaller Companies Acc	-18.4%	33.6%	27.3%	29.7%	-21.2%	32.6%	n.s.	--	--	--	--	--	--	--	--	90.0%	16/12/2016
MSCI Europe Small Cap NR	-20.5%	23.8%	4.6%	31.4%	-15.9%	19.0%	n.s.	--	--	--	--	--	--	--	--	37.5%	
Digital Stars US Equities Acc	-21.0%	37.9%	23.8%	28.9%	-13.2%	n.s.	--	--	--	--	--	--	--	--	--	56.1%	16/10/2017
MSCI USA NR	-14.8%	26.5%	20.7%	30.9%	-5.0%	n.s.	--	--	--	--	--	--	--	--	--	69.4%	
MSCI USA Small Cap NR	-12.3%	19.1%	18.3%	26.7%	-10.4%	n.s.	--	--	--	--	--	--	--	--	--	45.4%	
Digital Market Neutral Europe Acc EUR	-4.9%	9.4%	-9.0%	--	--	--	--	--	--	--	--	--	--	--	--	-5.3%	27/01/2020
€STR Compounded Index	-0.1%	-0.6%	-0.5%	--	--	--	--	--	--	--	--	--	--	--	--	-1.2%	

Past performance is not indicative of future returns

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

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Best Regards,
The Investment Management Team

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