



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:

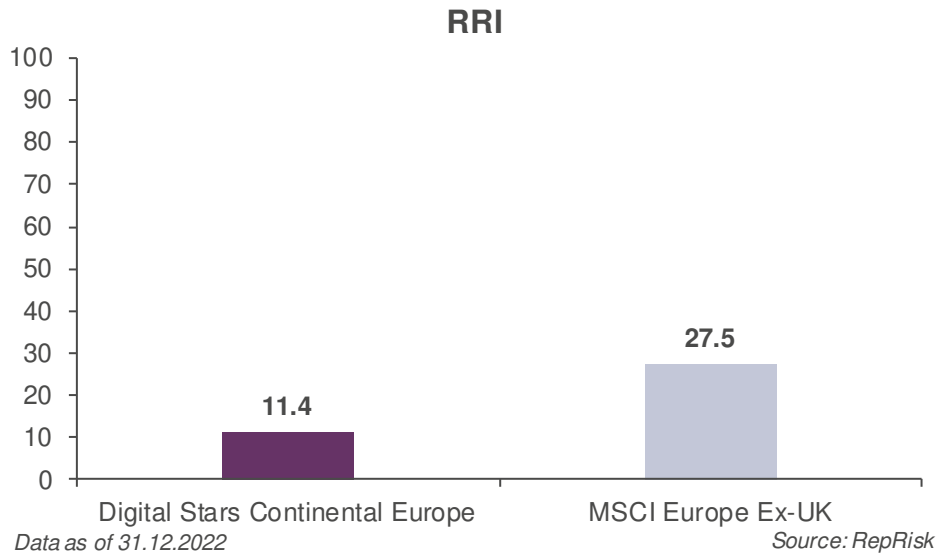
- Gambling exceeding 5% of sales
- Alcohol representing more than 20% of the turnover
- Non-medicinal drugs exceeding 5% of the turnover
- Adult entertainment (pornography) representing more than 5% of turnover

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 – ESG controversies (RepRisk)

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.



For this indicator, 97% 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.

PEAK RRI: 2-YEAR PEAK ESG REPUTATIONAL RISK (Data as of 31/12/2022)

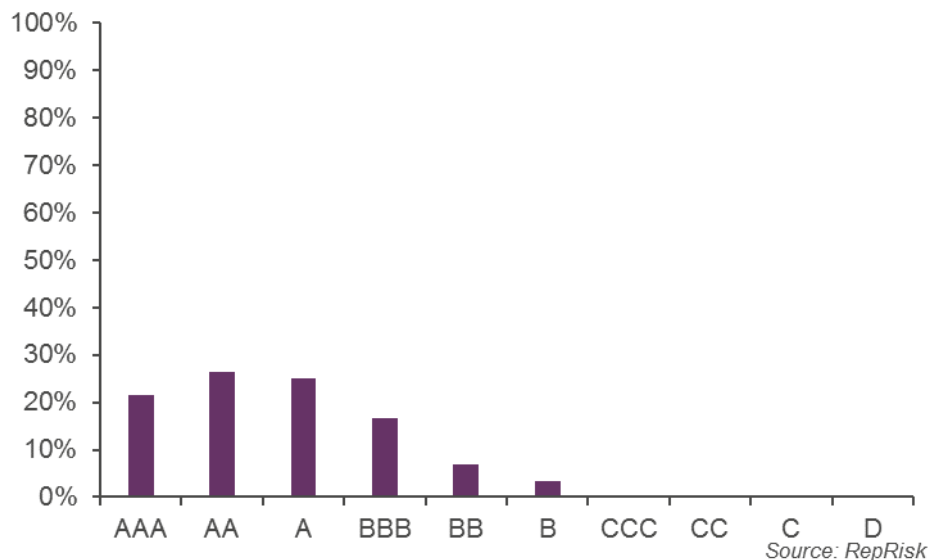
This indicator is based on the highest RRI of companies over the last two years. It is calculated as a weighted average.

Digital Stars Continental Europe: 20 / 100
MSCI Europe ex UK: 39 / 100

Digital Stars Continental Europe exhibits a weighted average 2-year Peak ESG Reputational Risk 48% below that of its benchmark (MSCI Europe ex UK).

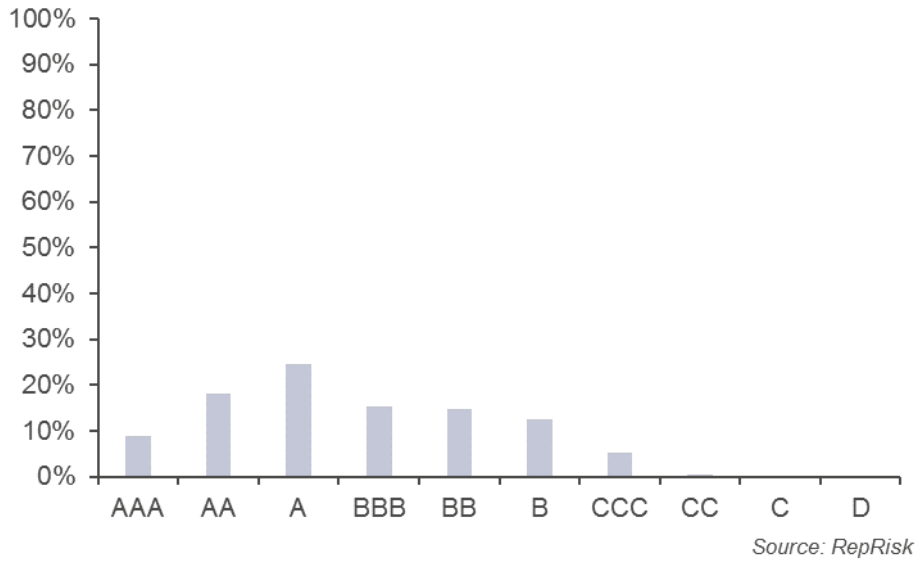
ESG REPRISK RATING

Digital Stars Continental Europe





MSCI Europe ex UK



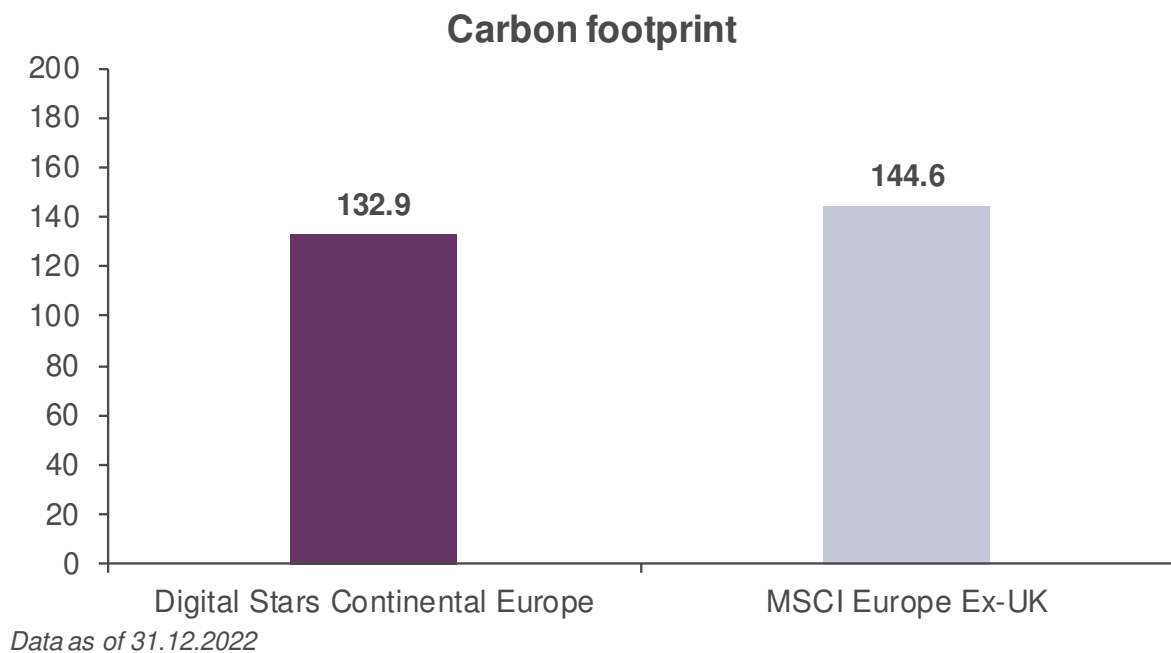
73% of the fund stocks have an ESG RepRisk Rating AAA, AA, A, vs. 51% for the benchmark.

For these indicators, 97% of the portfolio is covered against 99% for the index.

3 – 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.



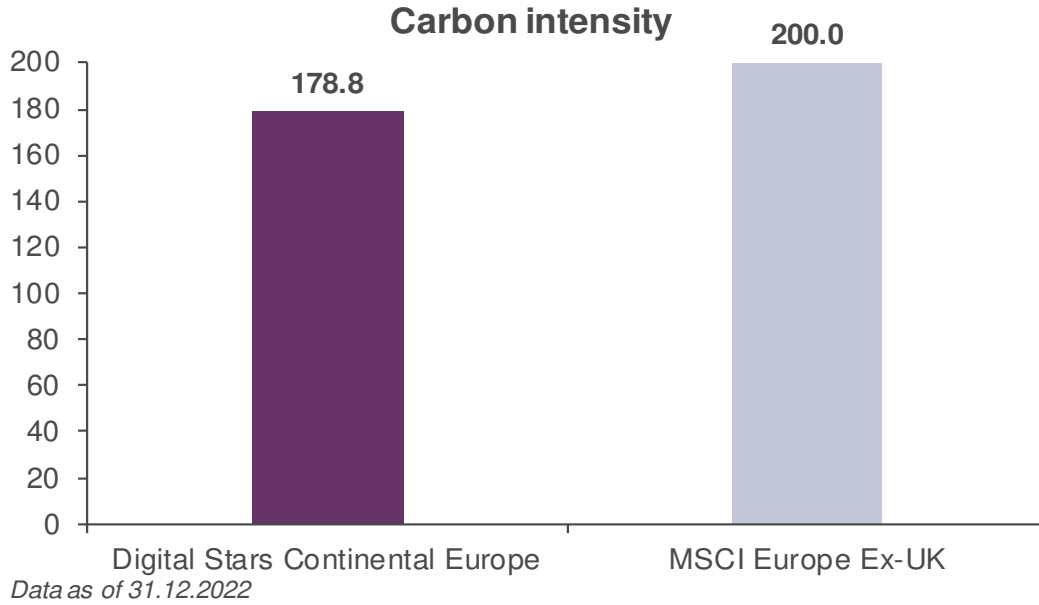
For this indicator, 94% of the portfolio is covered against 95% for the index. Constituents weights were normalised (rebased at 100%) to take into account the partial coverage of the portfolio and/or the benchmark.

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.

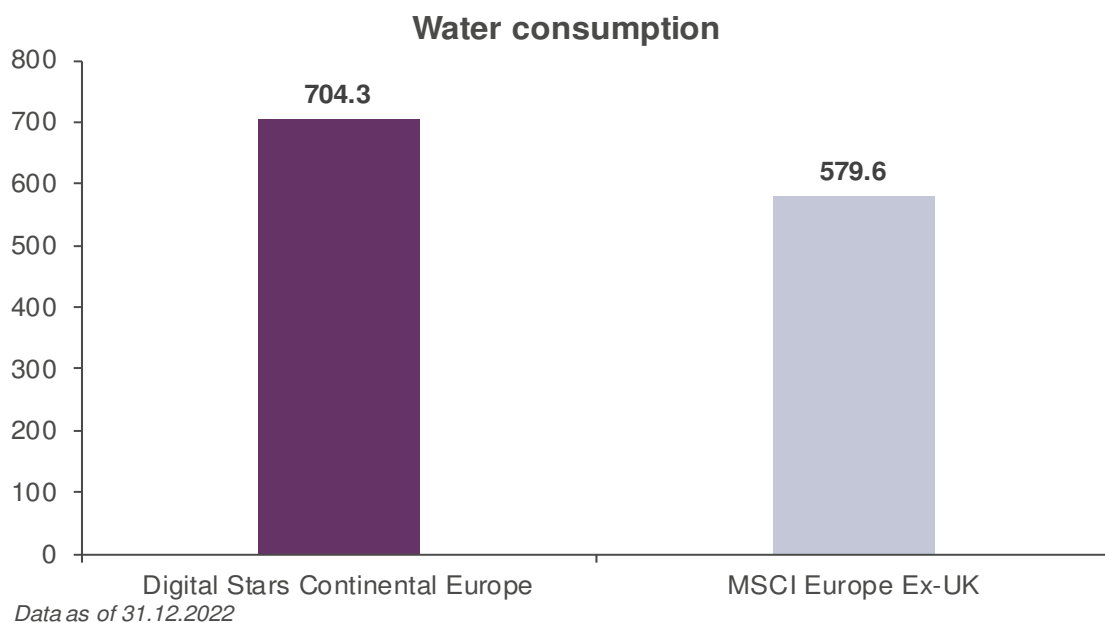


For this indicator, 94% of the portfolio is covered against 95% for the index. Constituents weights were normalised (rebased at 100%) to take into account the partial coverage of the portfolio and/or the benchmark.

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.



For this indicator, 67% of the portfolio is covered against 80% for the index. Constituents weights were normalised (rebased at 100%) to take into account the partial coverage of the portfolio and/or the benchmark.

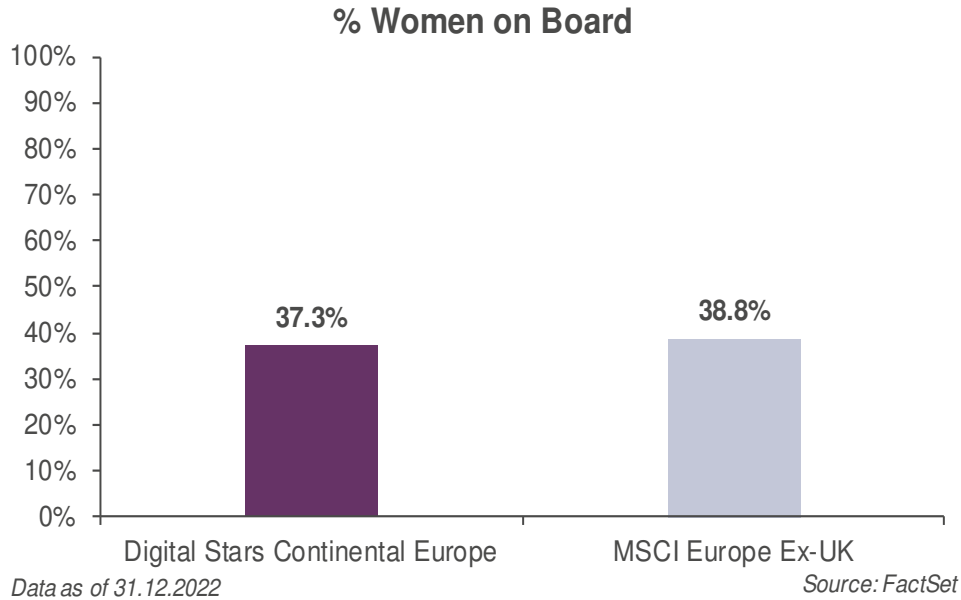
Source : Sustainalytics, FactSet



4 – Social performance

A. Women on board

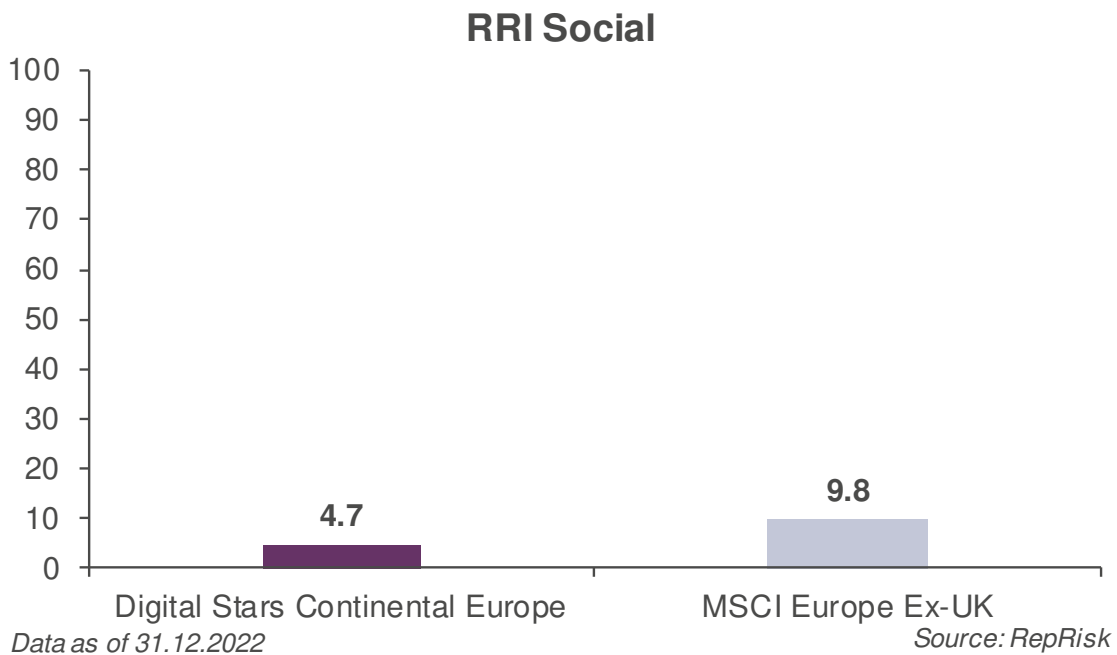
This indicator measures the number of women on the board vs. the overall number of directors.



For this indicator, 97% 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.

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.



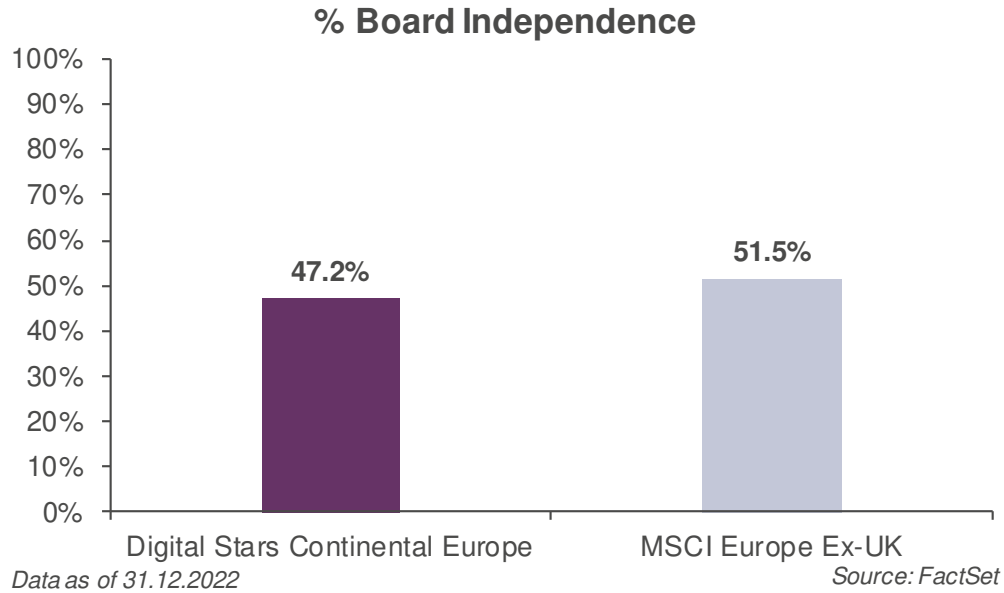
For this indicator, 97% of the portfolio is covered against 99% for the index. Constituents weights were normalised (rebased at 100%) to take into account the partial coverage of the portfolio and/or the benchmark.



5 – Governance performance

A. Board independence

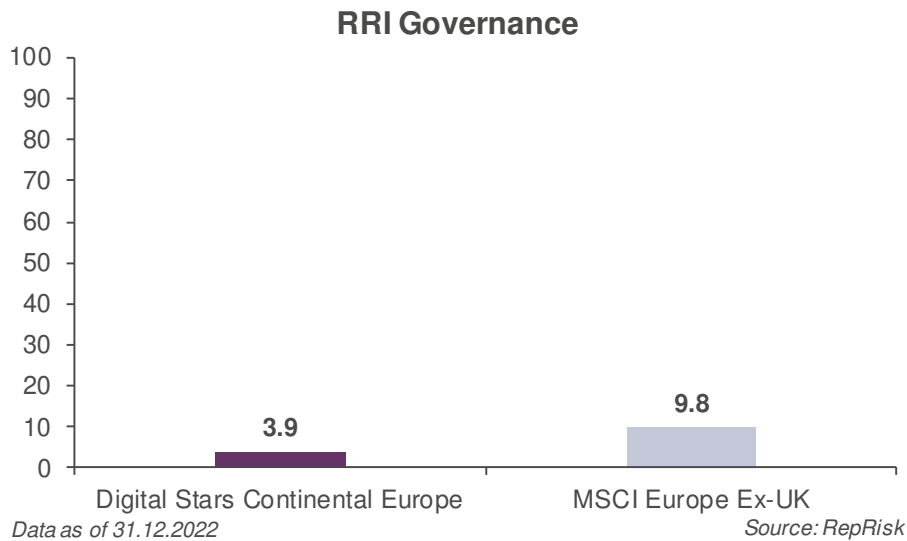
This indicator measures the number of independent directors vs. the overall number of directors.



For this indicator, 97% 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.

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 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.



6 – Excluded companies

7 companies have been excluded during Q4 2022 in a portfolio composed of 145 stocks.

Excluded companies in Digital Stars Continental Europe in Q4 2022 were in the healthcare, materials, finance, consumer staples and energy sectors.

Date	Fund	Stock	ISIN	Exclusion Criteria	Remark
13/10/2022	Digital Stars Continental Europe	BAWAG Group AG	AT0000BAWAG2	Governance 32>30 Managers benefited from illegal tax advantages	Sold from Portfolio
13/10/2022	Digital Stars Continental Europe	Equinor ASA	NO0010096985	RFRI 43>40 Environmental issues	Sold from Portfolio
26/10/2022	Digital Stars Continental Europe	Merck KGaA	DE0006599905	Governance 32>30 (misleading information regarding new Levothyrox thyroid drug)	Sold from Portfolio
25/11/2022	Digital Stars Continental Europe	Outokumpu Oyj	FI0009002422	Potential UNGC violator (environment) on supply chain	Sold from Portfolio
30/11/2022	Digital Stars Continental Europe	Koninklijke Ahold Delhaize N.V.	NL0011794037	RFRI 42>40 Insufficient effort to combat climate impact and prevent food waste	Sold from Portfolio
12/12/2022	Digital Stars Continental Europe	L'Oreal S.A.	FR0000120321	Potential UNGC violator - Supply Chain (Human Rights & Labor standard) - issues in the Carnauba Wax production in Brasil	Sold from Portfolio
19/12/2022	Digital Stars Continental Europe	Fugro NV	NL00150003E1	Pollution due to Dam Break, mining disaster in Brazil (Vale scandal)	Sold from Portfolio

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

Date	Fund	Stock	ISIN	Exclusion Criteria	Remark
13/10/2022	Digital Stars Continental Europe	Greek Organisation of Football Prognostics SA	GRS419003009	Gambling	Not integrated via Earnings Momentum
13/10/2022	Digital Stars Continental Europe	Pernod Ricard SA	FR0000120693	Alcohol	Not integrated via Earnings Momentum
13/10/2022	Digital Stars Continental Europe	Carlsberg AS Class B	DK0010181759	Alcohol	Not integrated via Earnings Momentum
13/10/2022	Digital Stars Continental Europe	RWE AG	DE0007037129	RFRI 45>40, Potential UNGC Violator (environment), Coal estimated 22%	Not integrated via Earnings Momentum
13/10/2022	Digital Stars Continental Europe	Heineken NV	NL0000009165	Alcohol	Not integrated via Earnings Momentum
13/10/2022	Digital Stars Continental Europe	Betsson AB Class B	SE0018535684	Gambling	Not integrated NN Momentum
26/10/2022	Digital Stars Continental Europe	Betsson	SE0015672282	Gambling	Not integrated Price Momentum
11/11/2022	Digital Stars Continental Europe	Betsson	SE0015672282	Gambling	Not integrated Earnings and NN Momentum
11/11/2022	Digital Stars Continental Europe	AAK AB	SE0011337708	Palm Oil 15% estimated	Not integrated Earnings Momentum
11/11/2022	Digital Stars Continental Europe	Davide Campari-Milano N.V.	NL0015435975	Alcohol	Not integrated Earnings Momentum
11/11/2022	Digital Stars Continental Europe	Kongsberg Gruppen ASA	NO0003043309	War Material Production (30% of sales)	Not integrated Earnings Momentum
12/12/2022	Digital Stars Continental Europe	Betsson AB Class B	SE0018535684	Gambling	Not integrated Earnings and NN Momentum
12/12/2022	Digital Stars Continental Europe	AAK AB	SE0011337708	Palm Oil 15% estimated	Not integrated Earnings Momentum
12/12/2022	Digital Stars Continental Europe	Kongsberg Gruppen ASA	NO0003043309	War Material Production (30% of sales)	Not integrated Earnings Momentum
12/12/2022	Digital Stars Continental Europe	Compania de Distribucion Integral Logista Holdings S.A.	ES0105027009	Tobacco	Not integrated NN Momentum
20/12/2022	Digital Stars Continental Europe	Compania de Distribucion Integral Logista Holdings S.A.	ES0105027009	Tobacco	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.