

Environmental and/or social characteristics

Digital Funds - Digital Stars US Equities



LEI : 52990012JWSAECXC8156

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Did this financial product have a sustainable investment objective?

Yes No

- It made a sustainable investments with an environmental objective:*
 - in economic activities that qualify as environmentally sustainable under the EU Taxonomy
 - in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
- It promoted Environmental/Social (E/S) characteristics and while it did not have as its objective a sustainable investment, it had a proportion of 0% of sustainable investments*
 - with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
 - with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
 - with a social objective
- It made sustainable investments with a social objective:*
- It promoted E/S characteristics, but did not make any sustainable investments*



To what extent were the environmental and/or social characteristics promoted by this financial product met?

Business conduct risks related to human rights, labour, the environment and corruption can result in risks to a company's reputation and finances, and therefore in a risk for the final investor. Thus, we exclude companies with a high level of ESG controversy. We use the external RepRisk database for this purpose. RepRisk helps us reducing blind spots and shed light on the ESG and business conduct risks related to our investments.

Through this exclusion filter based on ESG controversies, normative considerations and certain sectors, the fund promotes environmental and social characteristics, such as: respect for human rights and labour rights, peace, prevention of environmental risks, prevention of impacts on biodiversity, reduction of carbon emissions related to the coal industry, public health.

● How did the sustainability indicators perform?

The sustainability indicators used are:

RepRisk Index (RRI): The RRI is a proprietary algorithm developed by RepRisk that dynamically captures and quantifies reputational risk exposure related to ESG issues. The RRI is not a measure of reputation, but is rather an indicator of ESG-related reputational risk of a company or other entity. It allows the comparison of a company's exposure with that of its peers and helps track the risk trend over time. In essence, the RRI facilitates an initial assessment of the ESG and reputational risks associated with financing, investing, or conducting business with a particular company.

The RRI ranges from zero (lowest) to 100 (highest): 0-24 means low risk exposure, 25-49 means medium risk exposure, 50-59 means high risk exposure, 60-74 means very high risk exposure, and 75-100 means extremely high risk exposure.

RRI E, RRI S: derived from RRI. They respectively quantify reputational risk of a company regarding environmental issues and social issues.

Peak RRI: derived from RRI, it is the maximum value, between 0-100, reached by the RRI over the past two years.

As of 31.12.2022, this is how indicators have performed:

- the fund's RepRisk Indicator (RRI) is 3/100
- The RRI E of the fund is 0
- The RRI S of the fund is 1
- The fund's Peak RRI is 9/100

● **...and compared to previous periods?**

	RRI	RRI E	RRI S	Peak RRI
Year 2022	3	0	1	9

● **What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?**

Not applicable as the fund will not make sustainable investments.

● **How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?**

Not applicable as the fund will not make sustainable investments.

● **How were the indicators for adverse impacts on sustainability factors taken into account?**

Not applicable as the fund will not make sustainable investments.

● **Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights ? Details:**

Not applicable as the fund will not make sustainable investments.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and antibribery matters.



How did this financial product consider principal adverse impacts on sustainability factors?

RepRisk's core research scope is composed of 28 ESG issues that are broad, comprehensive and mutually exclusive. These 28 issues drive the entire research process, and every risk incident in RepRisk's ESG risk platform is related to at least one of these issues. RepRisk covers issues such as climate change, greenhouse gas emissions, global pollution, impacts on landscapes, ecosystems and biodiversity, local pollution and waste.

In addition, RepRisk covers 73 so-called 'Topic Tags', which are 'hot topics' and ESG themes that are an extension of RepRisk's main research scope of 28 ESG issues. These tags are specific and thematic, and a tag can be linked to several mandatory principal adverse impacts (PAI). Some of these tags are energy management, agriculture commodity speculation, forest burning, high conservation value forests, abusive/illegal fishing, air pollution, sand mining and dredging, wastewater management, gender inequality, nuclear weapons.

Therefore, the principal adverse impacts are taken into account qualitatively through aggregate scores provided by RepRisk based on the issues and topic tags mentioned above.



What were the top investments of this financial product?

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: 23.36%

<i>Largest investments</i>	<i>Sector</i>	<i>% Assets</i>	<i>Country</i>
EXLSERVICE HOLDINGS, INC.	Scientific and technical	1.86%	Etats-Unis
VALMONT INDUSTRIES, INC.	Manufacturing	1.76%	Etats-Unis
PENSKE AUTOMOTIVE GROUP, INC.	Wholesale and retail trade	1.74%	Etats-Unis
WEATHERFORD INTERNATIONAL PUBLIC LIMITED COMPANY	Mining and quarrying	1.66%	Irlande
GENUINE PARTS COMPANY	Wholesale and retail trade	1.59%	Etats-Unis
Fabrinet	Manufacturing	1.56%	les Camans
W. R. BERKLEY CORPORATION	Financial activities	1.53%	Etats-Unis
CACTUS, INC.	Manufacturing	1.53%	Etats-Unis
NOV Inc.	Manufacturing	1.50%	Etats-Unis
RYDER SYSTEM, INC.	Services activities	1.46%	Etats-Unis
Allegro Microsystems Inc	Manufacturing	1.46%	Etats-Unis
LlveRamp Holdings, Inc	Informations and communication	1.45%	Etats-Unis
BELDEN INC.	Manufacturing	1.43%	Etats-Unis
CECO ENVIRONMENTAL CORP.	Manufacturing	1.43%	Etats-Unis
Dillards, Inc.	Wholesale and retail trade	1.40%	Etats-Unis



What was the proportion of sustainability-related investments?

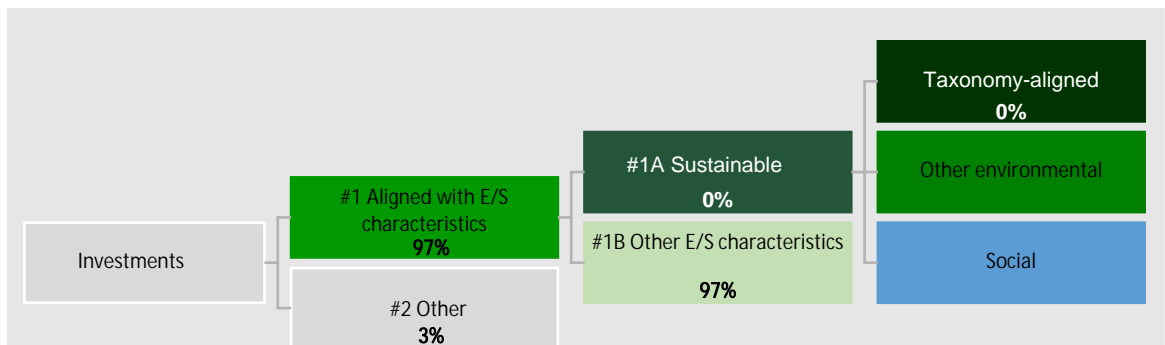
Asset allocation describes the share of investments in specific assets.

● What was the asset allocation?

- #1 Aligned with E/S characteristics: 97%
- #1A Sustainable: 0%
- Taxonomy aligned : 0%
- Other environmental: 0%
- Social: 0%
- #1B Other E/S characteristics: 97%
- #2 Other: 3%

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



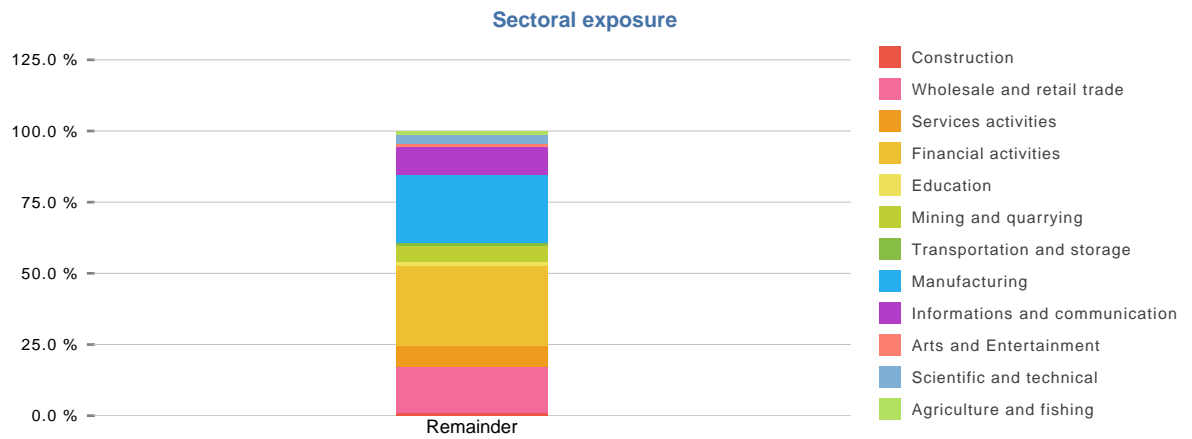
#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The Sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The Sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments

● In which economic sectors were the investments made?

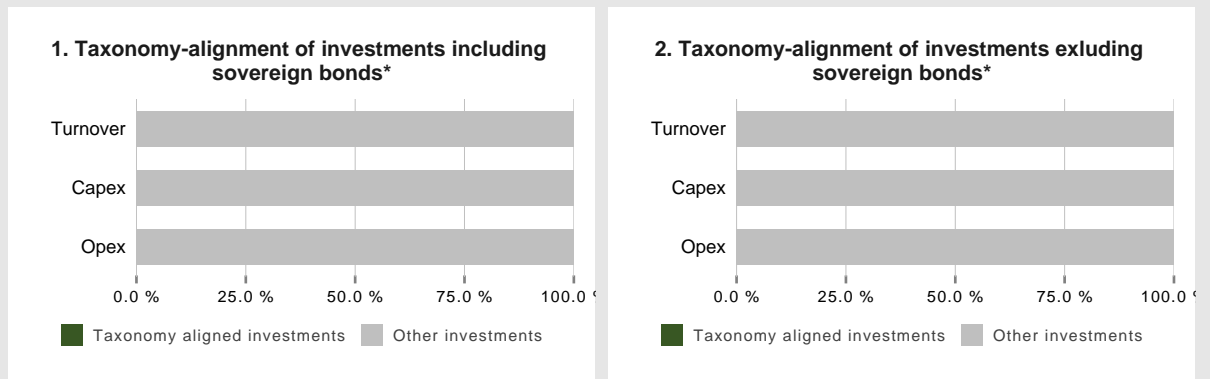


To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy ?

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



● **What was the share of investments made in transitional and enabling activities?**

Not applicable

● **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**

Reference period

Percentage of investments aligned with EU taxonomy



What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?

Not applicable



What was the share of socially sustainable investments?

Not applicable

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



What investments were included under "other", what was their purpose and were there any minimum environmental or social safeguards?

Not applicable



What actions have been taken to meet the environmental and/or social characteristics during the reference period?

The management company has implemented several exclusion criteria to meet the environmental and social characteristics promoted by the fund, such as normative exclusions, exclusions relating to the coal, nuclear, non-conventional oil and gas, palm oil, pesticides, GMO sectors, and companies with high environmental or social controversy indicators.



How did this financial product perform compared to the reference benchmark?

- *How did the designated index differ from a relevant broad market index*
Not applicable
- *How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?*
Not applicable
- *How did this financial product perform compared with the reference benchmark?*
Not applicable
- *How did this financial product perform compared with the broad market index?*
Not applicable

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.