

## Dear Shareholder,

European equity indices stood out again in February (MSCI Europe NR +1.8%), unlike the US indices (MSCI USA NR -2.4%). The spectacular upturn of China after the sudden withdrawal of the zero covid policy is having a positive impact on many European heavyweights. Moreover, the rise in interest rates tends to favour the most "value" geographical area, i.e. Europe. The improvement in economic momentum, linked to the reopening of the Chinese economy, is reflected in the economists' consensus, which has recovered strongly. Eurozone GDP growth in 2023 is now forecast at +0.4% compared to -0.1% only 2 months ago. The same is true for the US, where GDP growth in 2023 is now forecast at +0.7% compared to +0.3% at the end of December.

Digital funds continued to rise in February, outperforming their benchmarks. Sector bets contributed positively, with overweight positions in energy and banks benefiting from higher interest rates. The portfolios also benefited from positive surprises on stocks announcing their results. Thus 73% of Digital Stars Europe stocks that reported earnings had their 2023 earnings estimates revised upwards, compared with only 46% of MSCI Europe stocks. The decrease in risk aversion has allowed a re-correlation between company news and performance, which is very favourable to our strategies. The stocks in the fund, that saw their 2023 outlook improve as a result of their announcements, achieved an average YTD return of +15.7%, compared to +2.2% only for those that were revised downwards. In this favourable environment, **Digital Stars Europe Acc posted a monthly performance of +3.8%** against +1.8% for the MSCI Europe NR, and a YTD performance of +9.2% against +8.7%. **Digital Stars Continental Europe Acc ended February at +3.9%** against +1.5% for the MSCI Europe ex UK NR. **Digital Stars Eurozone Acc achieved +4.3%** against +1.6% for the MSCI EMU NR.

February rebalancing reinforces the cyclical bias of the funds. Thus, we have integrated stocks in the financials, basic materials, industrials and consumer discretionary sectors. Exposure to Energy (especially alternative energies) is slightly lowered, as for paper products and fertilisers. We are also selling defensive stocks in the consumer staples and cosmetics sectors. Digital Stars Europe is overweight financials (11%), energy (4.6%), and industrials (3.4%). The fund is underweight in healthcare (11.8%), consumer staples (9.5%) and utilities (1.5%). Italy remains the fund's largest weight and largest overweight, at 17.1%, ahead of the UK (the most underweight country) at 13.4% and Germany (12.9%).

**Digital Stars Europe Smaller Companies Acc ended up +6.0% in February**, strongly outperforming the MSCI Europe Small Cap NR at +2.8%. The fund mainly benefited from good publications on companies active in energy storage and transportation, and on banks.

The monthly portfolio reviews focused on strengthening consumer discretionary, materials and banks. Sales were mainly in industry, as well as in more defensive sectors linked to renewable energy (utilities, energy) or health care. The portfolio remains overweight in energy, banks and consumer discretionary, and significantly underweight in real estate, as well as IT and pharmaceuticals.

The United Kingdom (the most largely underweight country) is now tied with Italy (the most overweight country) as the largest country weight at 15.9%, ahead of Denmark at 12.2%.

**Digital Stars US Equities Acc USD was up slightly by +0.7% in February**, in a falling market where the MSCI USA NR ended at -2.4% and the MSCI USA Small Cap NR at -1.8%. Capital markets stocks, consumer staples and consumer discretionary contributed very positively to the fund's outperformance. The energy sector (-7% return in the US market) contributed negatively, due to its overweight.

The latest monthly portfolio review strengthened IT and healthcare, as well as finance. Sales were mainly in consumer discretionary, as well as communication services, energy and materials.

The portfolio remains overweight in finance and industry, and underweight in media, as well as pharmaceuticals and IT.



## Historical net performance

28/02/2023	YTD	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	Since Inception	Inception Date
<b>Digital Stars Europe Acc</b>	<b>9.2%</b>	<b>-27.5%</b>	<b>30.7%</b>	<b>15.6%</b>	<b>31.4%</b>	<b>-19.5%</b>	<b>23.7%</b>	<b>0.7%</b>	<b>24.7%</b>	<b>3.5%</b>	<b>36.0%</b>	<b>22.7%</b>	<b>-16.0%</b>	<b>32.6%</b>	<b>37.0%</b>	<b>671.5%</b>	<b>13/11/1998</b>
MSCI Europe NR	8.7%	-9.5%	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%	219.2%	
MSCI Europe Small Cap NR	10.4%	-22.5%	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%	596.9%	
<b>Digital Stars Continental Europe Acc</b>	<b>9.7%</b>	<b>-26.3%</b>	<b>33.9%</b>	<b>20.2%</b>	<b>30.1%</b>	<b>-17.2%</b>	<b>25.0%</b>	<b>5.0%</b>	<b>24.7%</b>	<b>3.6%</b>	<b>37.1%</b>	<b>22.4%</b>	<b>-21.4%</b>	<b>32.3%</b>	<b>36.1%</b>	<b>320.5%</b>	<b>30/06/2006</b>
MSCI Europe ex UK NR	9.1%	-12.6%	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%	128.2%	
MSCI Europe ex UK Small Cap NR	11.1%	-20.6%	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%	218.5%	
<b>Digital Stars Eurozone Acc</b>	<b>10.9%</b>	<b>-24.1%</b>	<b>32.0%</b>	<b>18.3%</b>	<b>30.5%</b>	<b>n.s.</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>38.8%</b>	<b>01/10/2018</b>
MSCI EMU NR	11.4%	-12.5%	22.2%	-1.0%	25.5%	n.s.	--	--	--	--	--	--	--	--	--	28.7%	
MSCI EMU Small Cap NR	12.7%	-17.1%	23.3%	5.5%	28.2%	n.s.	--	--	--	--	--	--	--	--	--	30.1%	
<b>Digital Stars Europe Smaller Companies Acc</b>	<b>7.3%</b>	<b>-19.9%</b>	<b>33.6%</b>	<b>27.3%</b>	<b>29.7%</b>	<b>-21.2%</b>	<b>32.6%</b>	<b>n.s.</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>100.2%</b>	<b>16/12/2016</b>
MSCI Europe Small Cap NR	10.4%	-22.5%	23.8%	4.6%	31.4%	-15.9%	19.0%	n.s.	--	--	--	--	--	--	--	47.9%	
<b>Digital Stars US Equities Acc</b>	<b>7.0%</b>	<b>-26.9%</b>	<b>37.9%</b>	<b>23.8%</b>	<b>28.9%</b>	<b>-13.2%</b>	<b>n.s.</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>54.5%</b>	<b>16/10/2017</b>
MSCI USA NR	4.0%	-19.8%	26.5%	20.7%	30.9%	-5.0%	n.s.	--	--	--	--	--	--	--	--	65.7%	
MSCI USA Small Cap NR	8.4%	-17.6%	19.1%	18.3%	26.7%	-10.4%	n.s.	--	--	--	--	--	--	--	--	48.1%	
<b>Digital Market Neutral Europe Acc EUR</b>	<b>-0.9%</b>	<b>-5.3%</b>	<b>9.4%</b>	<b>-9.0%</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>-6.6%</b>	<b>27/01/2020</b>
€STR Compounded Index	0.3%	0.0%	-0.6%	-0.5%	--	--	--	--	--	--	--	--	--	--	--	-0.8%	

## 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](mailto: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.