

Dear Shareholder,

The global economy is surprisingly resilient, and this is reflected in the powerful appreciation of equity indices in June (MSCI Europe NR +2.4%, MSCI USA NR +6.6%). Whereas at the start of the year, the consensus of economists was predicting global GDP growth of +2.0% in 2023, the forecast is now +2.6%. This has led central banks to resume the restrictive rhetoric they abandoned at the time of the banking setbacks. They judge that the battle against inflation has not yet been won, despite the significant fall in inflation in recent months. Against this backdrop, the "Value" style logically stood out in June. Pro-cyclical in relative terms, it is benefiting from the rise in rates across all maturities on the yield curve to resume a trend that began in November 2020, when vaccines were discovered.

The markets therefore ended June on a high note. They seem to have finally assimilated the good corporate results and have resisted the central banks' less accommodating stance. Fears of a pronounced economic slowdown have eased, favouring cyclical sectors, which are well represented in our portfolios. Banks, specialty retailing and tourism were the winners of the month, while technology took a breather after the rally at the end of May. In this favourable environment, the Digital Stars funds are positive and outperforming their indices. They are benefiting from an overweight in the financial sector and, more generally, from a positioning suited to rising interest rates, being underweight in the proxy bond sectors (healthcare, commodities, telecoms, property). **Digital Stars Europe Acc posted a monthly performance of +3.2%** compared with +2.4% for the MSCI Europe NR. **Digital Stars Continental Europe Acc ended June at +3.8%** compared with +2.7% for the MSCI Europe ex UK NR. **Digital Stars Eurozone Acc, with a more defensive profile, posted a monthly performance of +2.3%** compared with +3.8% for the MSCI EMU NR.

The rebalancing carried out in June was diversified, selecting stocks in the distribution, tourism, steel and banking sectors. Exits included energy, mining and healthcare stocks. British stocks are also making a comeback. The overweight in banking stocks has been increased to 6.7% in Digital Stars Europe. The weighting of the energy sector has returned to the level of its index. Digital Stars Europe is overweight financials, technology and industrials. The fund is underweight healthcare, consumer staples and utilities. Italy remains the fund's largest holding and its largest overweight, at 15%, ahead of Germany (13.5%) and the United Kingdom (12.9%).

Digital Stars Europe Smaller Companies Acc ended up +3.4% in June,

beating the MSCI Europe Small Cap NR at +0.8%. Semiconductors performed very well, as did Greek stocks. Lookers share jumped +34% on the announcement of Alpha Auto Group's takeover bid.

The monthly portfolio reviews focused on strengthening healthcare equipment, IT sectors, consumer discretionary and consumer staples. Sales were mainly in energy, materials (steel and glass) and media.

The portfolio is still mainly overweight in consumer discretionary, and significantly underweight in real estate and media. The weight of energy is now in line with the market.

The United Kingdom is reinforced and weighs now 18.7% (but remains the most largely underweight country), ahead of Italy which is decreased to 14.5%. Greece is the most overweight country at 8.8%.

Digital Stars US Equities Acc USD was up +8.3% in June,

vs. +6.6% for the MSCI USA NR and +8.6% for the MSCI USA Small Cap NR. The month's outperformance came mainly from industrials, which are well exposed in the fund, and technology.

The latest monthly portfolio review saw the addition of stocks from the consumer discretionary, IT, real estate, as well as industry sectors. Sales were mainly in finance.

The portfolio remains overweight in industry. Finance is now the biggest underweight, before media and pharma.



Historical net performance

30/06/2023	YTD	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	Since Inception	Inception Date
Digital Stars Europe Acc	4.6%	-27.5%	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%	639.2%	13/11/1998
MSCI Europe NR	11.1%	-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%	226.3%	
MSCI Europe Small Cap NR	5.7%	-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%	567.2%	
Digital Stars Continental Europe Acc	6.7%	-26.3%	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%	308.8%	30/06/2006
MSCI Europe ex UK NR	12.7%	-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%	135.8%	
MSCI Europe ex UK Small Cap NR	6.6%	-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%	205.3%	
Digital Stars Eurozone Acc	6.9%	-24.1%	32.0%	18.3%	30.5%	n.s.	--	--	--	--	--	--	--	--	--	33.7%	01/10/2018
MSCI EMU NR	15.3%	-12.5%	22.2%	-1.0%	25.5%	n.s.	--	--	--	--	--	--	--	--	--	33.2%	
MSCI EMU Small Cap NR	8.7%	-17.1%	23.3%	5.5%	28.2%	n.s.	--	--	--	--	--	--	--	--	--	25.5%	
Digital Stars Europe Smaller Companies Acc	2.9%	-19.9%	33.6%	27.3%	29.7%	-21.2%	32.6%	n.s.	--	--	--	--	--	--	--	92.0%	16/12/2016
MSCI Europe Small Cap NR	5.7%	-22.5%	23.8%	4.6%	31.4%	-15.9%	19.0%	n.s.	--	--	--	--	--	--	--	41.6%	
Digital Stars US Equities Acc	7.8%	-26.9%	37.9%	23.8%	28.9%	-13.2%	n.s.	--	--	--	--	--	--	--	--	55.7%	16/10/2017
MSCI USA NR	16.8%	-19.8%	26.5%	20.7%	30.9%	-5.0%	n.s.	--	--	--	--	--	--	--	--	86.3%	
MSCI USA Small Cap NR	9.1%	-17.6%	19.1%	18.3%	26.7%	-10.4%	n.s.	--	--	--	--	--	--	--	--	49.0%	
Digital Market Neutral Europe Acc EUR	-1.7%	-5.3%	9.4%	-9.0%	--	--	--	--	--	--	--	--	--	--	--	-7.3%	27/01/2020
€STR Compounded Index	1.3%	0.0%	-0.6%	-0.5%	--	--	--	--	--	--	--	--	--	--	--	0.2%	

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.