

Dear Shareholder,

Equity markets continued to rise in July (MSCI Europe NR +2%; MSCI USA NR +3.4%). A combination of several favourable factors justified the impressive equity rally initiated in September 2022. Economic momentum continued to pick up, as was reflected in significant upward revisions of economic growth forecasts; inflation and inflation expectations have fallen significantly, pointing to the potential for an accommodating monetary stance from central banks in the near future; corporate earnings are reassuring, highlighting attractive valuations for many segments of the stock market; and the level of equity investment by large institutional investors remains low, fuelling buying flows.

The US economy remains robust, with GDP growth revised upwards in July, removing the short-term risk of recession. As a result, cyclical sectors, well represented in the portfolio, outperformed. Banks, energy and basic materials were the month's winners. Technology lagged, as did the luxury goods sector, impacted by disappointing results from LVMH and Richemont. In this bullish environment, Digital Stars funds are positive and in line with their indices. Performance was influenced by the announcement of half-yearly results, which were generally good. By the end of July, 52% of Digital Stars Europe stocks had published, and 70% of these companies had seen their 2023 earnings estimates revised upwards. These earnings announcements will continue over the next few weeks, which should keep investors focused on company fundamentals, and could once again be favourable to our strategy. **Digital Stars Europe Acc posted a monthly performance of +2%** compared with +2% for the MSCI Europe NR. **Digital Stars Continental Europe Acc ended July at +2%** compared with +1.9% for the MSCI Europe ex UK NR. **Digital Stars Eurozone Acc, with a more defensive profile, posted a monthly performance of +1.9%** compared with +0.9% for the MSCI EMU NR.

The rebalancing carried out in July was diversified, selecting stocks in the industrial, automotive, IT and healthcare sectors, as well as a few financials. Among the exits were basic materials stocks (mainly steel) and luxury goods. We continue to observe a comeback of British stocks. The overweight of banking stocks in Digital Stars Europe is stable at 6.1%. Digital Stars Europe is overweight financials, technology and industrials. The fund is underweight healthcare, food and utilities. Italy remains the fund's top weight and largest overweight, at 16.4%. The UK moves into second place at 15.7%, ahead of Germany (12.7%).

Digital Stars Europe Smaller Companies Acc ended up +2.1% in July, vs. +3.4% for the MSCI Europe Small Cap NR. Greek stocks continued to perform well. But our semiconductor stocks and consumer discretionary stocks penalised the fund in relative terms.

The monthly portfolio reviews focused on strengthening industry and IT sectors, as well as utilities. Sales were mainly in materials (chemicals and glass containers), as well as in finance, energy and consumer discretionary. The portfolio is still mainly overweight in consumer discretionary, and significantly underweight in real estate and materials.

The United Kingdom is reinforced furthermore and weighs now 22.0% (but remains the most largely underweight country), ahead of Italy at 13.3%. Greece is still the most overweight country at 8.8%.

Digital Stars US Equities Acc USD was up +2.7% in July, vs. +3.4% for the MSCI USA NR and +5.2% for the MSCI USA Small Cap NR. The good publications of certain stocks were not enough to offset the less well-received publications in the industry. The fund's under-exposure in the media also contributed negatively.

The latest monthly portfolio review saw the addition of stocks from the finance, consumer discretionary and healthcare sectors. Sales were mainly in media, industry and technology.

The portfolio remains overweight in industry, as well as in consumer discretionary. Media is now back to being the biggest underweight, before pharma.



Historical net performance

31/07/2023	YTD	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	Since Inception	Inception Date
Digital Stars Europe Acc	6.7%	-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%	654.0%	13/11/1998
MSCI Europe NR	13.3%	-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%	232.8%	
MSCI Europe Small Cap NR	9.2%	-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%	589.6%	
Digital Stars Continental Europe Acc	8.8%	-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%	316.9%	30/06/2006
MSCI Europe ex UK NR	14.8%	-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%	140.2%	
MSCI Europe ex UK Small Cap NR	9.4%	-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%	213.6%	
Digital Stars Eurozone Acc	7.8%	-24.1%	32.0%	18.3%	30.5%	n.s.	--	--	--	--	--	--	--	--	--	34.9%	01/10/2018
MSCI EMU NR	17.5%	-12.5%	22.2%	-1.0%	25.5%	n.s.	--	--	--	--	--	--	--	--	--	35.7%	
MSCI EMU Small Cap NR	11.9%	-17.1%	23.3%	5.5%	28.2%	n.s.	--	--	--	--	--	--	--	--	--	29.2%	
Digital Stars Europe Smaller Companies Acc	5.0%	-19.9%	33.6%	27.3%	29.7%	-21.2%	32.6%	n.s.	--	--	--	--	--	--	--	95.9%	16/12/2016
MSCI Europe Small Cap NR	9.2%	-22.5%	23.8%	4.6%	31.4%	-15.9%	19.0%	n.s.	--	--	--	--	--	--	--	46.4%	
Digital Stars US Equities Acc	10.7%	-26.9%	37.9%	23.8%	28.9%	-13.2%	n.s.	--	--	--	--	--	--	--	--	59.9%	16/10/2017
MSCI USA NR	20.8%	-19.8%	26.5%	20.7%	30.9%	-5.0%	n.s.	--	--	--	--	--	--	--	--	92.6%	
MSCI USA Small Cap NR	14.7%	-17.6%	19.1%	18.3%	26.7%	-10.4%	n.s.	--	--	--	--	--	--	--	--	56.7%	
Digital Market Neutral Europe Acc EUR	-2.9%	-5.3%	9.4%	-9.0%	--	--	--	--	--	--	--	--	--	--	--	-8.5%	27/01/2020
€STR Compounded Index	1.6%	0.0%	-0.6%	-0.5%	--	--	--	--	--	--	--	--	--	--	--	0.5%	

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.