



Monthly update

Nearly two and a half years after the discovery of the Coronavirus, we continue to observe a rare succession of major economic, monetary, geopolitical and health events, and this seems to have accelerated over the past year. On the health front, the Delta and Omicron variants have forced governments to implement the largest vaccination campaigns in history, and, in the case of China, to recently re-confine 300 million people. The war in Ukraine is emerging as one of the most important geopolitical events of the post-war era. Finally, powerful reflation, fueled by exogenous health and military shocks, is pushing central banks to adjust their accommodating monetary policies. In this unstable environment and lacking short-term visibility, equities gave up -0.8% in Europe in May (MSCI Europe NR). However, the earnings revisions by the analysts' consensus continue to be well oriented (EPS 2022 MSCI Europe raised by +9.2% since the beginning of the year). The fundamental situation therefore remains favourable. The risk premium for the European market stands at +6.5%, well above the historical average of +5.0%.

Financial markets fell in early May. After Shanghai, new anti-covid measures were implemented in Beijing. The resulting negative impact of these lockdowns on global growth strongly affected Basic Materials stocks, one of the main overweights in our portfolios. The technology sector also corrected. Reassuring macro-economic figures in the US (industrial production, consumption) initiated a rebound that continued in line with the gradual lifting of the lockdown in Shanghai. The Digital Stars funds suffered in the first days of May before recovering. Digital Stars Europe Acc posted a month to date performance of -8.8% on 12 May, compared with -5.3% for the MSCI Europe NR. It then rebounded stronger than the index (+5.9% compared to +4.7% since 12 May), recovering part of the relative drawdown. **The monthly performance of Digital Stars Europe Acc is -3.4%, compared to -0.8% for the MSCI Europe NR.**

PROFILE

A diversified portfolio, within the all-cap universe with a purely quantitative management style. The investment universe embraces approximately 1700 stocks originating in the European Union, the United Kingdom, Switzerland and Norway. The minimum capitalisation of the stocks selected is €100m.

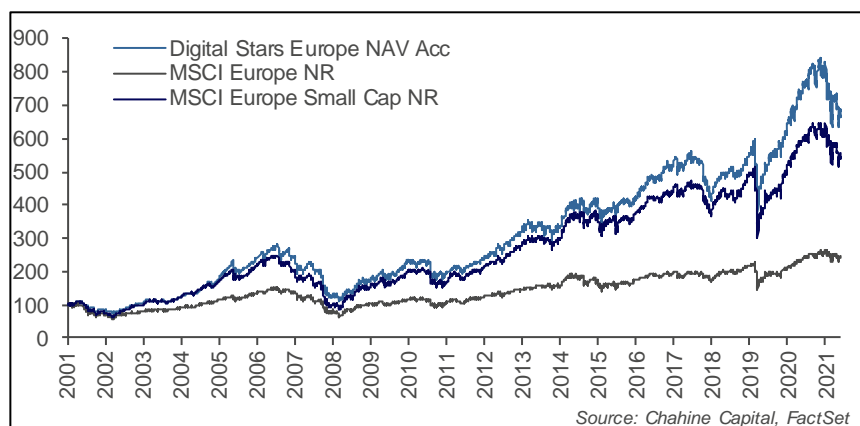
With oil prices still at their highest, the May rebalancing again included Energy and Paper Pulp stocks, but also Financials and Healthcare stocks. We are mainly selling "growth" stocks in the industrial sectors and real estate companies, which are suffering from higher interest rates.

Digital Stars Europe remains overweight in Basic Materials, Industrials, and Technology and is becoming overweight Energy. The overweight in commodities remains close to 9%. The fund is underweight in Food and Healthcare. The UK remains the largest weight at 14.7%, which is a clear underweight, ahead of Germany at 14.5% and Norway at 11.3%.

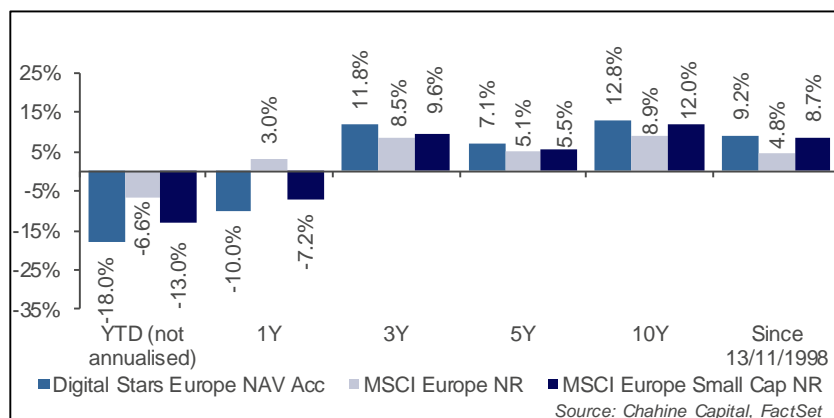
OBJECTIVE

Achieve long-term appreciation of its capital and outperform the broad European markets, through the experienced usage of a sophisticated and proprietary quantitative model to identify the "Stars" performers.

COMPARISON WITH MAJOR INDICES (IN EUR)



ANNUALISED RETURNS AS OF 31/05/2022



FUND FACTS

Launch: 13.11.1998
Profile: Equity Europe, All-Cap
Currency: EUR
Benchmark: MSCI Europe NR
AuM: € 870.0 m
SFDR: Article 8

Share Classes:

Acc:	LU0090784017	BILDSCX LX
Acc1:	LU1731919103	DFSED1E LX
Acc2:	LU2098777084	DIFSE2E LX
GBP:	LU0259627379	DFSEGBP LX
USD:	LU0274905818	DFSEUSD LX
R:	LU0323041763	DFSTARR LX
D:	LU0905713201	DFSTARD LX
D1:	LU1731919525	DFSED1E LX
I:	LU1506569661	DFSTAIE LX
I1:	LU2211665745	DIFSE1I LX
I USD:	LU2049410926	DIFSEIU LX
P:	LU2005654798	DGSTAUP LX

Mgt. Fees: 1.5%, (R: 2%, P: 2.2%, I/I/I USD/D1/Acc2: 1%, Acc1: 1.25%)

Perf. Fees: 15% of the outperformance vs index (R/P CI : 20%)

Valuation Date: Daily

Cut-off: 3pm, Luxembourg time

**TOP HOLDINGS AND BEST CONTRIBUTORS
(31/05/2022)**

Top positions	Weights	Top contributors	1 Month perf	1 month contribution
Aker Solutions ASA	2.3%	Aker Solutions ASA	9.7%	0.22%
Hapag-Lloyd AG	2.1%	GFT Technologies SE	18.8%	0.17%
Tenaris S.A.	2.0%	Tenaris S.A.	7.3%	0.15%
K+S AG	1.9%	Hapag-Lloyd AG	3.5%	0.11%
ASM International N.V.	1.7%	Eramet SA	9.8%	0.09%

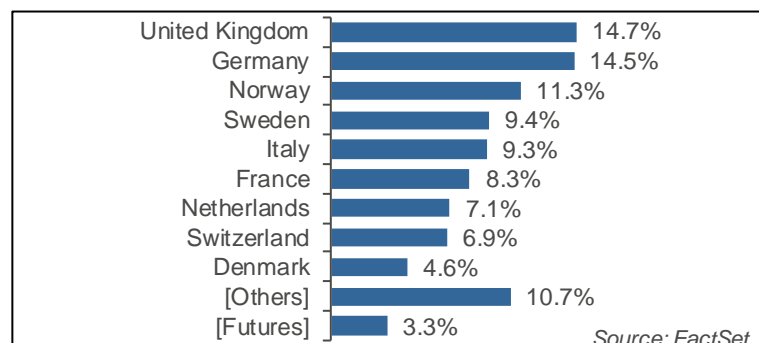
Source: FactSet

PERFORMANCE ATTRIBUTION (EXCL. FEES) -MAY 2022

From 29/04/2022 to 31/05/2022	Average Weight	Total Return	Contribution To Return
Total	100.0%	-3.2%	-3.2%
Energy	7.9%	2.6%	0.20%
Financials	15.7%	0.6%	0.10%
Utilities	3.5%	-1.7%	-0.06%
Communication Services	3.4%	-3.1%	-0.11%
Health Care	8.0%	-1.6%	-0.12%
Consumer Staples	3.1%	-4.6%	-0.14%
Information Technology	10.9%	-2.2%	-0.24%
Consumer Discretionary	6.1%	-4.0%	-0.24%
Real Estate	1.5%	-20.2%	-0.30%
Industrials	19.3%	-5.1%	-0.99%
Materials	16.7%	-8.0%	-1.34%
[Futures]	3.9%	1.5%	0.06%

Source: FactSet

COUNTRY BREAKDOWN (31/05/2022)



Source: FactSet

CALENDAR RETURNS

31/05/2022	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	Since Inception
Digital Stars Europe NAV Acc	-18.0%	+30.7%	+15.6%	+31.4%	-19.5%	+23.7%	+0.7%	+24.7%	+3.5%	+36.0%	+22.7%	+698.4%
MSCI Europe NR	-6.6%	+25.1%	-3.3%	+26.0%	-10.6%	+10.2%	+2.6%	+8.2%	+6.8%	+19.8%	+17.3%	+203.0%
MSCI Europe Small Cap NR	-13.0%	+23.8%	+4.6%	+31.4%	-15.9%	+19.0%	+0.9%	+23.5%	+6.5%	+33.4%	+27.0%	+608.6%

Inception date: 13/11/1998

Source: Chahine Capital, FactSet

STRUCTURE AND MANAGEMENT

Fund Managers: Julien Bernier
Aymar de Léotoing

Location: Luxembourg

Man. Company: J.Chahine Capital, a Luxembourg-based CSSF-regulated AM Company

Legal form: Sub-Fund of DIGITAL FUNDS, a Luxembourg-based SICAV under Part I of the Luxembourg Law of December 20, 2002

Custodian: UBS Europe SE (Lux. branch)
Transfer Agent: Northern Trust Global Services
Administration: Northern Trust Global Services
Auditor: PwC Luxembourg

Registration: Austria, Belgium, France, Germany, Italy, Luxembourg, Netherland, Spain, Sweden, Switzerland, UK

KEY FIGURES (31/05/2022)

VNI (Acc):	€ 1,217.21
VNI (Acc1):	€ 130.72
VNI (Acc2) :	€ 121.87
VNI (GBP):	£ 437.25
VNI (USD):	\$ 297.59
VNI (R):	€ 248.64
VNI (D):	€ 221.49
VNI (D1):	€ 124.63
VNI (I):	€ 166.59
VNI (I1):	€ 122.24
VNI (I USD):	\$ 145.99
VNI (P):	€ 129.33

Risk statistics	1Y	3Y
Beta vs. Benchmark	1.30	0.99
Volatility	22.0%	22.0%
Sharpe Ratio	-0.45	0.54

Source: FactSet

SRR1 (Acc Class) : 6

Median Market Capitalisation: € 3,857 M
Median % of Market Volume: 36.6%
% Small Caps (< EUR2Bio): 23.6%
% Mid Caps (EUR [2Bio; 5Bio]): 26.6%
% Large Caps (>EUR 5Bio): 49.8%

Find out more about the funds DIGITAL FUNDS on our website.

chahinecapital.com



Important information: Digital Funds Stars Europe is a sub-fund of Digital Funds, a SICAV incorporated under Luxembourg law, authorised in Luxembourg and regulated by the Luxembourg supervisory authority Commission de Surveillance du Secteur Financier (CSSF). The Fund complies with the requirements of the UCITS Directive 2009/65/EC. Investors are invited to carefully read the risk warnings and the regulations set out in the prospectus and/or in any appendices thereto, applicable in the country of distribution, and to seek professional counsel from their financial, legal and tax advisors. Information about DIGITAL FUNDS, its sub-funds and classes, the latest prospectus, annual and semi-annual reports, can be obtained free of charge, in English, French, German and Italian from the Central Administrator, the Custodian Bank or online at www.chahinecapital.com. The Fund's prospectus for Switzerland, the Key Investor information's, constitutive documents and annual and semi-annual financial reports can be obtained free of charge from the Fund representative in Switzerland, Carnegie Fund Services S.A., 11, rue du Général-Dufour, 1204 Genève, Suisse, Tel. +41 22 705 11 77, www.carnegie-fund-services.ch. The paying agent in Switzerland is UBS Switzerland AG, Bahnhofstrasse 45, 8001 Zürich. The Fund's centralizing agent in France is RBC Investors Services France. This document is confidential and is intended only for the use of the person to whom it was delivered; it may not be reproduced or distributed. The present document constitutes neither an offer nor a solicitation to subscribe for shares in the funds in any jurisdiction where such an offer or solicitation would not be authorised, or to any person to whom it would be unlawful to make such an offer or invitation. J.Chahine Capital is authorised in Luxembourg and regulated by the CSSF. 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. J.Chahine Capital cannot guarantee that any capital invested will maintain or increase in value.

The LuxFLAG ESG label for the Digital Stars Europe fund is valid until 31 December 2022.

Investors must not rely on LuxFLAG or the LuxFLAG Label with regard to investor protection issues and LuxFLAG cannot incur any liability related to financial performance or default.