

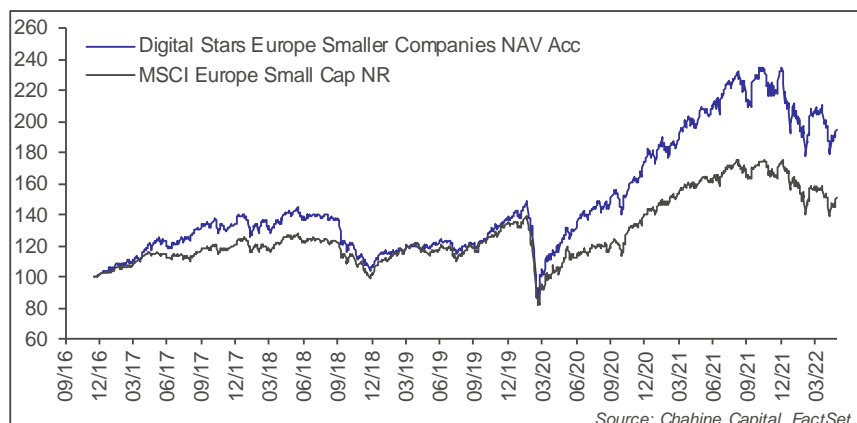


Monthly update

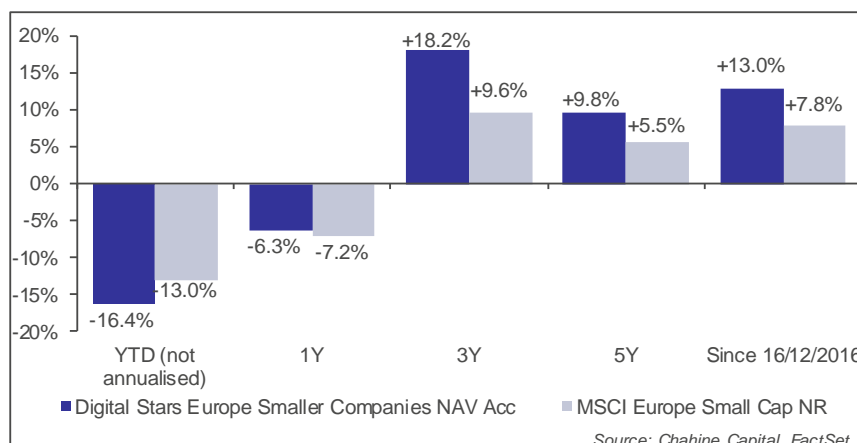
Nearly two and a half years after the discovery of the Coronavirus, we continue to observe a rare succession of major economic, monetary, geopolitical and health events, and this seems to have accelerated over the past year. On the health front, the Delta and Omicron variants have forced governments 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%.

Digital Stars Europe Smaller Companies Acc ended down at -2.7% in May, behind the MSCI Europe Small Cap NR at -1.7%. The German government's criticisms on biofuels affected VERBIO, preventing the fund from taking full advantage of the good performance of the energy sector. Some positive publications by companies in renewable energy (Alerion Clean Power), technology (GFT, AT&S), finance (BCP, Beazley) and materials (Norske Skog, Salzgitter) sectors benefited the fund.

COMPARISON WITH AN INDEX (IN EUR)



ANNUALISED RETURNS AS OF 31/05/2022



PROFILE



A diversified portfolio, within the small-cap universe, with a purely quantitative management style. The investment universe embraces approximately 1500 stocks originating in the European Union, the United Kingdom, Switzerland and Norway. The minimum market capitalisation of the stocks in the investment universe is €50m, and the maximum will be the highest within MSCI Europe Small Cap index.

The monthly portfolio reviews focused on materials, as well as healthcare, energy and industrials. Most of the sales concerned banks, and to a lesser extent consumer discretionary, software and food.

The portfolio is significantly overweight in energy and technology, and underweight in real estate and industrials.

The United Kingdom (the most largely underweight country) is the largest country weight with 19.1%, ahead of Norway with 17.5% (the most largely overweight country).

OBJECTIVE

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

FUND FACTS

Launch: 16.12.2016
Profile: European Equities, Small Caps
Currency: EUR
Benchmark: MSCI Europe Small Cap NR
AuM: € 10.1 m
SFDR : Article 8

Share Classes:

Acc: LU1506569588 DFSESCO LX
 Acc1: LU2354250925 DIESCDF LX
 R: LU2354254836 DIESCRE LX
 I: LU1651323351 DFSESCI LX
 I USD: LU1737512811 DFSESIU LX

Mgt. Fees: 1.5% (Acc), 1% (I, I USD), 1.25% (Acc1), 2% (R)

Perf. Fees: 15% of the outperformance vs index (20% for R shares)

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
Hexatronic Group AB	3.4%	OKEA ASA	50.1%	0.65%
GFT Technologies SE	2.7%	GFT Technologies SE	18.8%	0.45%
MPC Container Ships ASA	2.5%	AT & S Austria Technologie 8	12.7%	0.24%
Wallenius Wilhelmsen ASA	2.2%	Wallenius Wilhelmsen ASA	10.7%	0.23%
Etablissements Maurel & Pro	2.0%	Etablissements Maurel & Pro	13.0%	0.22%

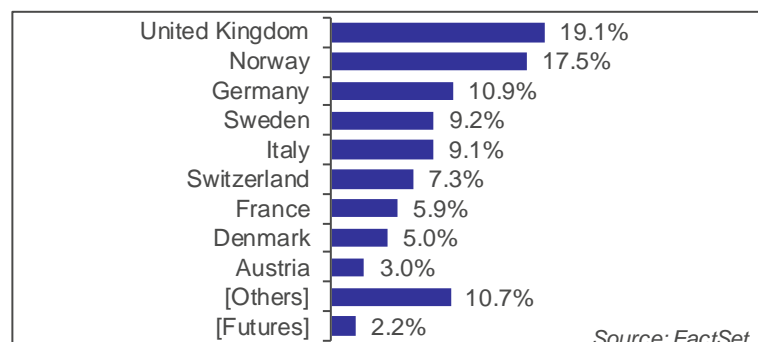
Source: FactSet

PERFORMANCE BREAKDOWN (EXCL. FEES) - MAY 2022

May-2022	Average Weight	Total Return	Contribution To Return
Total	100.0%	-2.7%	-2.7%
Utilities	5.8%	2.2%	0.16%
Health Care	2.4%	3.0%	0.05%
[Futures]	2.2%	-2.4%	-0.05%
Financials	16.7%	0.1%	-0.07%
Information Technology	13.6%	-1.0%	-0.07%
Consumer Staples	6.4%	-2.9%	-0.11%
Energy	12.8%	-0.6%	-0.13%
Consumer Discretionary	6.4%	-4.6%	-0.27%
Communication Services	1.2%	-22.5%	-0.31%
Materials	9.5%	-5.4%	-0.51%
Real Estate	4.6%	-11.0%	-0.69%
Industrials	18.6%	-4.1%	-0.70%

Source: FactSet

COUNTRY BREAKDOWN (31/05/2022)



Source: FactSet

CALENDAR RETURNS

31/05/2022	2022	2021	2020	2019	2018	2017	2016*	Since Inception
Digital Stars Europe Smaller Companies NAV Acc	-16.4%	+33.6%	+27.3%	+29.7%	-21.2%	+32.6%	+1.0%	+94.7%
MSCI Europe Small Cap NR	-13.0%	+23.8%	+4.6%	+31.4%	-15.9%	+19.0%	+1.4%	+50.4%

* Performances 2016 calculated from inception date (16/12/2016)

Source: Chahine Capital, FactSet

STRUCTURE AND MANAGEMENT

Fund Managers: Aymar de Léotoing
Julien Bernier

Location: Luxembourg

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

Legal Form: Sub-fund of DIGITAL FUNDS, a Luxembourg-based SICAV under Part I of the Luxembourg Law of 20/12/2002

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, Luxembourg, Netherland, Spain, Switzerland, United Kingdom

KEY FIGURES (31/05/2022)

VNI (Acc):	€ 194.66
VNI (Acc1):	€ 92.05
VNI (R):	€ 91.80
VNI (I):	€ 147.26
VNI (I USD):	\$ 158.57

Risk statistics	1Y	3Y
Beta vs. Benchmark	1.23	0.98
Volatility	23.7%	23.2%
Sharpe Ratio	-0.27	0.78

Source: FactSet

SRRI (Acc Share):	6
# positions:	99
Equity Exposure:	99.5%
Median Market Capitalisation:	€ 1 274 M
Médiane % Market Volume:	3.6%
% Micro caps (< EUR 500m):	32.7%
% Small caps (< EUR 2Mds):	162.1%
% Mid caps (< EUR 5Mds):	78.5%
% Large caps (>EUR 5Mds):	12.1%

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

chahinecapital.com



Important information: Digital Funds Stars Europe Smaller Companies 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 Smaller Companies 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.