

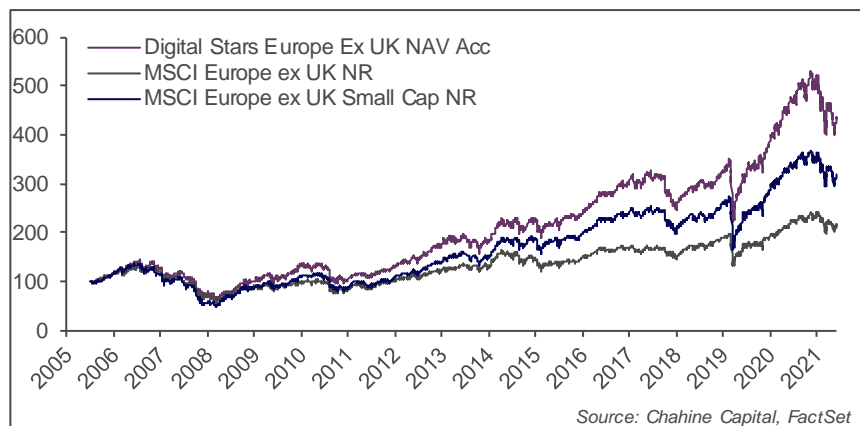
## Monthly update

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%.

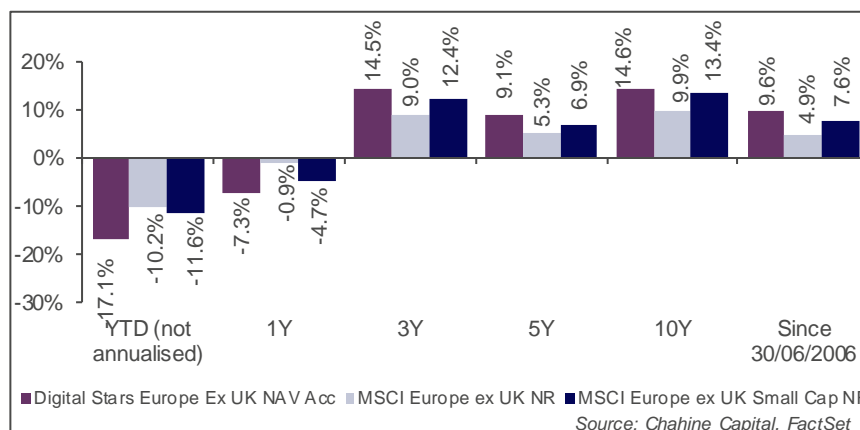
Financial markets fell in early May. After Shanghai, new anti-covid measures were implemented in Beijing. The resulting negative impact of these lockdowns on global growth strongly affected Basic Materials stocks, one of the main overweights in our portfolios. The technology sector also corrected. Reassuring 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 Ex-UK Acc posted a month to date performance of -8.6% on 12 May, compared with -5.3% for the MSCI Europe ex UK NR. It then rebounded stronger than the index (+6.4% compared to +4.5% since 12 May), recovering part of the relative drawdown.

**Digital Stars Europe Ex-UK Acc ended May at -2.8% compared to -1.1% for the MSCI Europe ex UK NR.**

## COMPARISON WITH MAJOR INDICES (IN EUR)



## ANNUALISED RETURNS AS OF 31/05/2022



## PROFILE

A diversified portfolio, within the all-cap universe with a purely quantitative management style. The investment universe embraces approximately 1300 stocks originating in the European Union (United Kingdom excluded), Switzerland and Norway. The minimum capitalisation of the stock 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 Ex-UK remains overweight in Basic Materials, Energy and Technology. The overweight in Basic Materials is stable at 11%. The fund is underweight in Food, Healthcare and Consumer Discretionary. Germany is the largest country weight at 18.1%, followed by France at 14%.

## OBJECTIVE

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

## FUND FACTS

**Launch:** 30.06.2006  
**Profile:** European equities, All-Cap  
**Currency:** EUR  
**Benchmark:** MSCI Europe ex UK NR  
**AuM:** € 520.5 m  
**Eligible to the French PEA**  
**SFDR:** Article 8

### Share Classes:

Acc:	LU0259626645	DFXUKAC LX
Acc1:	LU1731919871	DFXUA1E LX
Acc2:	LU1731919954	DFSEI1E LX
GBP:	LU0259626991	DFXUKGB LX
R:	LU0323041847	DISEEDF LX
D:	LU2133218540	DISEEDE LX
DI:	LU2376120270	DISEEAA LX
I:	LU0997310957	DFXUKIA LX
I2:	LU2356426036	DISEEIE LX
I USD H:	LU2354266509	DISEEDA LX
P:	LU2005655092	DGSEXUP LX

**Mgt. Fees:** 1.5%, (P: 2.2%, Acc1: 1.25%  
R: 2%, I,DI: max 1%  
Acc2,I2, I USD H : 1%)

**Perf. Fees:** 15% (P,R: 20%) of the  
surperformance vs index

**Valorisation:** 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
Eramet SA	2.83%	Eramet SA	9.8%	0.27%
Hapag-Lloyd AG	2.62%	Aker Solutions ASA	9.7%	0.23%
Aker Solutions ASA	2.44%	GFT Technologies SE	18.8%	0.18%
Tenaris S.A.	2.09%	Hapag-Lloyd AG	3.5%	0.17%
ASM International N.V.	2.00%	Banco Comercial Portugues	29.6%	0.17%

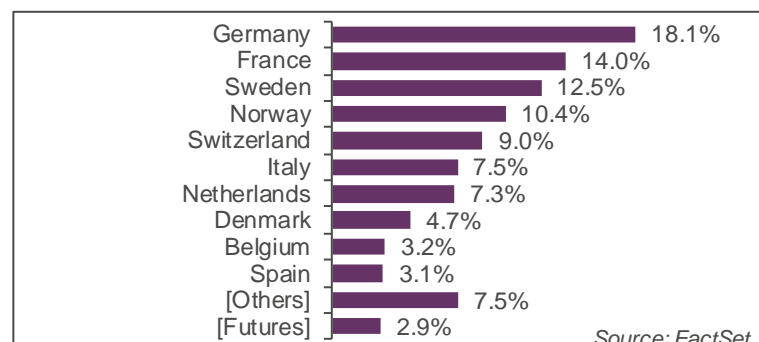
Source: FactSet

## PERFORMANCE ATTRIBUTION (EXCL. FEES) - MAY 2022

From 29/04/2022 to 31/05/2022	Average Weight	Total Return	Contribution To Return
<b>Total</b>	<b>100.0%</b>	<b>-2.6%</b>	<b>-2.6%</b>
Energy	8.0%	2.3%	0.25%
[Futures]	3.1%	1.3%	0.04%
Utilities	1.9%	0.0%	0.01%
Communication Services	2.7%	-1.7%	-0.04%
Health Care	8.7%	-1.4%	-0.12%
Consumer Staples	2.9%	-5.3%	-0.14%
Financials	15.3%	-1.2%	-0.15%
Real Estate	1.3%	-8.5%	-0.19%
Information Technology	11.8%	-2.2%	-0.23%
Consumer Discretionary	6.7%	-3.9%	-0.25%
Materials	17.8%	-4.2%	-0.82%
Industrials	19.6%	-4.6%	-0.98%

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 Ex UK NAV Acc	-17.1%	+33.9%	+20.2%	+30.1%	-17.2%	+25.0%	+5.0%	+24.7%	+3.6%	+37.1%	+22.4%	+331.5%
MSCI Europe ex UK NR	-10.2%	+24.4%	+1.7%	+27.1%	-10.9%	+11.4%	+2.4%	+10.7%	+6.4%	+22.1%	+19.4%	+115.1%
MSCI Europe ex UK Small Cap NR	-11.6%	+24.6%	+11.7%	+28.5%	-15.8%	+20.3%	+5.5%	+25.0%	+5.9%	+33.5%	+22.8%	+218.9%

Inception date : 30/06/2006

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 Asset Management 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, United Kingdom

## KEY FIGURES (31/05/2022)

VNI (Acc):	€ 431.45
VNI (Acc1):	€ 143.18
VNI (Acc2) :	€ 145.95
VNI (GBP):	£ 528.21
VNI (R):	€ 90.90
VNI (D):	€ 165.70
VNI (DI):	€ 84.64
VNI (I):	€ 269.46
VNI (I2):	€ 91.46
VNI (I USD H):	\$ 92.86
VNI (P):	€ 137.13

Risk statistics	1Y	3Y
<b>Beta vs. Benchmark</b>	1.23	1.04
<b>Volatility</b>	22.9%	22.0%
<b>Sharpe Ratio</b>	-0.32	0.66

Source: FactSet

**SRRI (Acc Share):** 6

Median Market Capitalisation: € 3,523 M  
Median % of Market Volume: 27.1%  
% Small Caps (< EUR2Bio): 24.8%  
% Mid Caps ( EUR [2Bio; 5Bio]): 25.5%  
% Large Caps (>EUR 5Bio): 49.7%

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

[chahinecapital.com](http://chahinecapital.com)



Important information: Digital Funds Stars Europe Ex-UK 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](http://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](http://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 Ex-UK 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.