

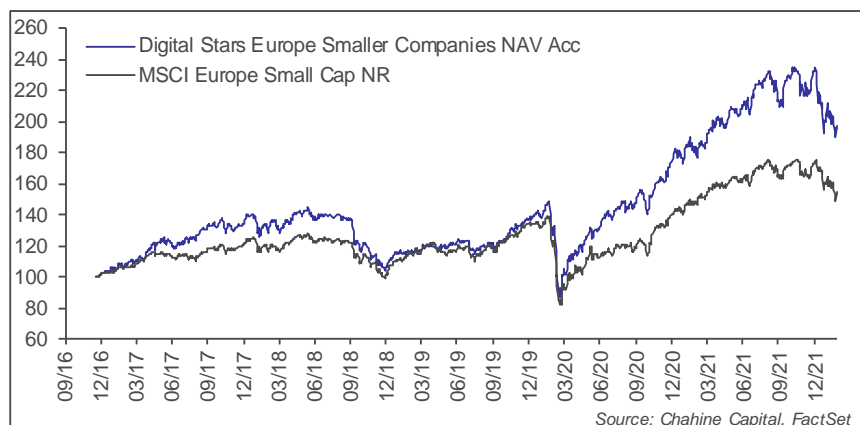


## Monthly update

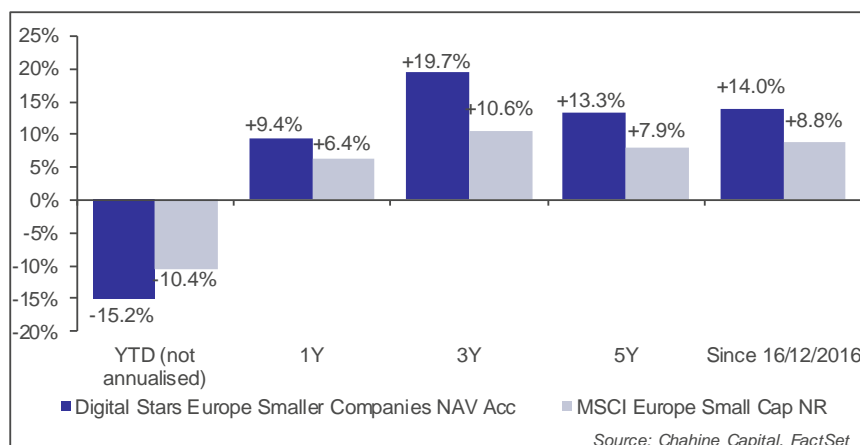
The beginning of 2022 will long remain engraved in our memories. It is indeed rare that such a succession of events can be observed during such a short period. While January saw yields rise sharply in anticipation of monetary normalisation, causing the second most powerful style rotation (in favour of value) observed since 2003, the Russian invasion of Ukraine suddenly reshuffled the deck. Against this backdrop, equity indices fell (MSCI Europe NR -3.0%, MSCI USA NR -3.0%) and the rotation in favour of cyclical sectors was interrupted. Even if it is risky to anticipate the evolution of the conflict at this stage, it is important to take stock of the fundamental situation of the indices in the event that an exit door is found. The risk premium on European equities stands at 6.9%, a very generous level compared to the 20-year historical average of 5.0%. Furthermore, central banks are now obliged to postpone monetary normalisation and the 0.50% easing in the German 2-year yield shows that investors are not mistaken. Finally, important decennial technical supports such as the 2000 and 2007 highs in Europe are now very close, which in theory argues for a strengthening of the asset class at these levels in a medium/long term perspective.

**Digital Stars Europe Smaller Companies Acc ended down at -3.5% in February**, slightly outperforming the MSCI Europe Small Cap NR at -3.9%. Unsurprisingly, energy, which is well represented in the fund, posted the best performance over the month (VERBIO, Serica Energy). Note the 25% jump in Be Shaping the Future on the announcement of the takeover bid by Tamburi Investment Partners.

## COMPARISON WITH AN INDEX (IN EUR)



## ANNUALISED RETURNS AS OF 28/02/2022



## 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 latest monthly portfolio review has strengthened banks, as well as materials and food. Healthcare and industry were significantly reduced (especially in Sweden), as well as media, leisure and IT.

The portfolio is significantly overweight in technology and underweight in real estate and media. The United Kingdom (biggest underweight) is the largest weight with 19.2%, ahead of Italy (very underweighted) with 13.2%.

## 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  
**C:** EUR  
**Benchmark:** MSCI Europe Small Cap NR  
**AuM:** € 10.9 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 (28/02/2022)

Top Positions	Weights	Top contributors	1 Month Perf	1 Month Contribution
VERBIO Vereinigte BioEnerg	2.61%	VERBIO Vereinigte BioEnerg	26.8%	0.57%
MPC Container Ships ASA	2.54%	Wallenius Wilhelmsen ASA	40.5%	0.54%
Hexatronic Group AB	2.42%	Be Shaping the Future SpA	33.3%	0.22%
GFT Technologies SE	2.13%	AT & S Austria Technologie & Services	19.3%	0.21%
Wallenius Wilhelmsen ASA	2.04%	Medartis Holding AG	10.1%	0.17%

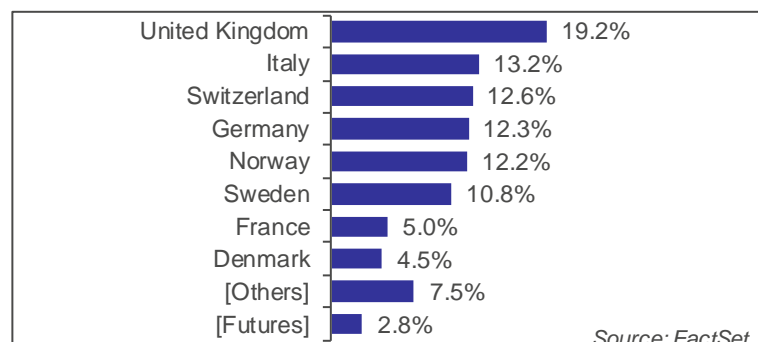
Source: FactSet

### PERFORMANCE BREAKDOWN (EXCL. FEES) - FEBRUARY 2022

Feb-2022	Average Weight	Total Return	Contribution To Return
<b>Total</b>	<b>100.0</b>	<b>-3.30</b>	<b>-3.30</b>
Energy	4.8	15.84	0.73
Utilities	3.5	2.70	0.09
Consumer Staples	2.7	0.15	0.06
Materials	1.5	-4.10	0.00
[Futures]	2.8	-4.44	-0.13
Communication Services	1.8	-9.61	-0.20
Consumer Discretionary	9.5	-3.12	-0.33
Real Estate	6.0	-6.52	-0.41
Financials	12.4	-4.74	-0.57
Health Care	9.4	-5.99	-0.65
Information Technology	19.4	-4.43	-0.86
Industrials	26.0	-3.63	-1.03

Source: FactSet

### COUNTRY BREAKDOWN (28/02/2022)



Source: FactSet

### CALENDAR RETURNS

28/02/2022	2022	2021	2020	2019	2018	2017	2016*	Since Inception
Digital Stars Europe Smaller Companies NAV Acc	-15.2%	+33.6%	+27.3%	+29.7%	-21.2%	+32.6%	+1.0%	+97.5%
MSCI Europe Small Cap NR	-10.4%	+23.8%	+4.6%	+31.4%	-15.9%	+19.0%	+1.4%	+54.9%

\* 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 (28/02/2022)

VNI (Acc):	€ 197.48
VNI (Acc1):	€ 93.35
VNI (R):	€ 93.31
VNI (I):	€ 149.21
VNI (I USD):	\$ 159.85

Risk statistics	1Y	3Y
<b>Beta vs. Benchmark</b>	1.36	0.96
<b>Volatility</b>	21.6%	22.1%
<b>Sharpe Ratio</b>	0.43	0.89

Source: FactSet

<b>SRRI (Acc Share):</b>	<b>6</b>
# positions:	86
Equity Exposure:	99.6%
Median Market Capitalisation:	€ 1 284 M
Médiane % Market Volume:	5.0%
% Micro caps (< EUR 500m):	13.8%
% Small caps (< EUR 2Mds):	55.1%
% Mid caps (< EUR 5Mds):	28.3%
% Large caps (>EUR 5Mds):	2.8%

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

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