

DIGITAL STARS EUROZONE

MONTHLY UPDATE

Equity indices were down in September (MSCI Europe NR -3.0%, S&P 500 NR -4.7%), which is the first negative monthly return since January 2021. Investors adopted a cautious stance in an environment where the strength of the economic recovery is being debated. Systemic fears related to the situation in China and the setbacks of the real estate developer Evergrande also weighed. As well as the Fed's less accommodative tone, which is considering a reduction in asset purchases at the end of the year in response to inflation taking hold.

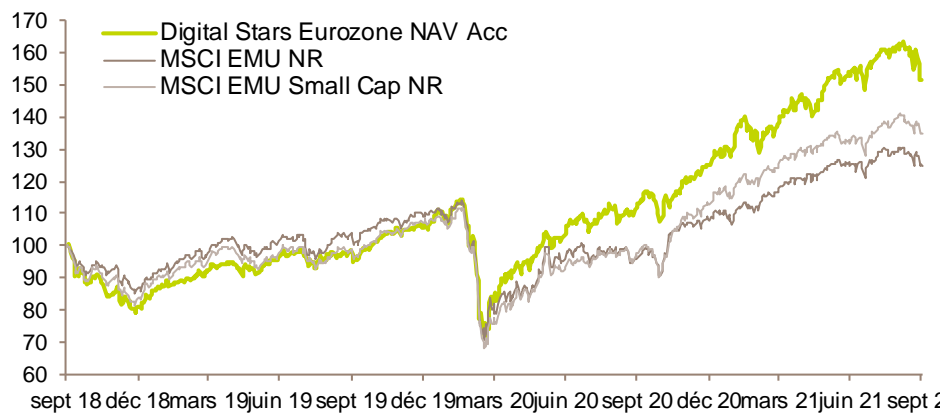
At the same time, a powerful rotation in the behaviour of styles was observed. Value has strongly outperformed, which is unusual in a down market, while defensive stocks have been penalized in relative terms by the rise in long-term rates.

The attractiveness of the equity asset class remains intact. The risk premium of the European market is still at a generous level (6.4%), and the outlook for earnings growth remains attractive.

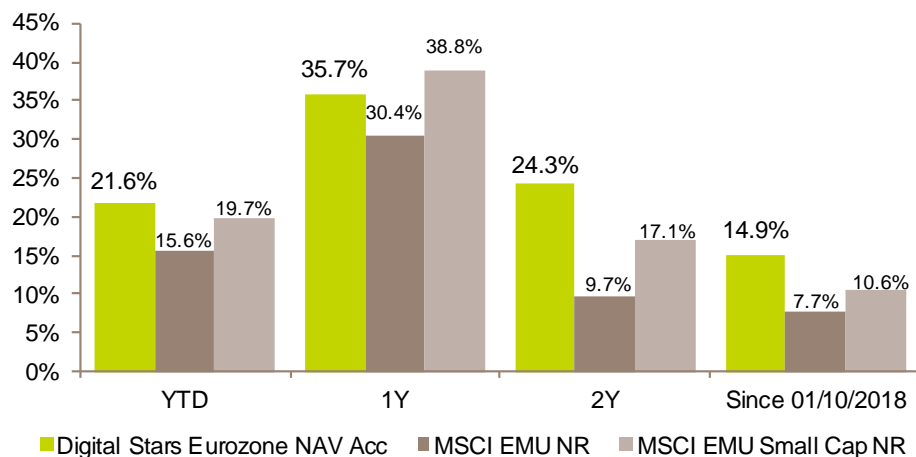
After ten consecutive months of gains and significant outperformance, Digital Stars Eurozone ended the month down, underperforming its benchmarks. While the jolt from the risk of collapse of Chinese property giant Evergrande was quickly overcome, fears about inflation and rising long-term interest rates had a greater impact from 24 September onwards. We then saw violent profit-taking on growth stocks (Digital Economy, Semiconductors, Medtech) and more generally on the winners of the year 2021. Small and mid-caps also weighed negatively. Conversely, value stocks, particularly Energy and Financials, resisted well, but were less present in the portfolio. Our track record shows that while the impact of such rotation is negative in the short term, it allows then to capitalize on new trends in the longer term.

Digital Stars Eurozone Acc ended September at -5.8% compared to -3.4% for the MSCI EMU NR.

COMPARISON WITH MAJOR INDICES (IN EUR)



ANNUALISED RETURNS AS OF 30/09/2021



PROFILE

A diversified portfolio, within the all cap universe with a purely quantitative management style. The investment universe embraces approximately 800 stocks originating in the Eurozone. The minimum capitalisation of the stocks selected is €100m.

The rebalancing in September was diversified and take into account ESG criteria. The sectorial rotation observed end of September is too short to have a real influence. The model has mainly integrated stocks from the financial, technology and telecommunication sectors. Digital Stars Eurozone remains overweight industrials and technology. The fund continues to adjust to a more uncertain economic recovery. Digital Stars Eurozone remains overweight industrials and technology. The fund is underweight commodities, financials, energy, and utilities; and to a lesser extent food, financials, and healthcare. Germany remains the largest weighting at 27.5%, ahead of France at 18.8% and Italy at 17.3%.

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.

FUND FACTS

Launch:	01.10.2018
Profile:	All Cap
Currency:	EUR
Benchmark:	MSCI EMU NR
AuM:	€ 9.5 m
Eligible to the French PEA	

Share Classes:

Acc:	LU1813569289	DFSEZAE LX
R:	LU1813569362	DFSEZRE LX
I:	LU1813569446	DFSEZIE LX

Mgt. Fees:	1.5%, (R: 2%, I: 1%)
Perf. Fees:	15% of the outperformance vs index (R: 20%)
Valuation Date:	Daily
Cut-off:	3pm, Luxembourg time

TOP HOLDINGS AND BEST CONTRIBUTORS (30/09/2021)

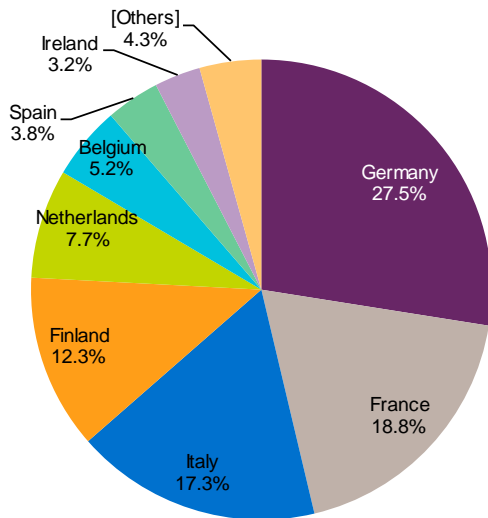
Top positions	Weights	Top contributors	1 Month perf	1 month contribution
Qt Group Plc	3.84%	eDreams ODIGEO SA	19.8%	0.16%
Kesko Oyj Class B	3.18%	VERBIO Vereinigte BioEner	5.8%	0.12%
Derichebourg SA	2.90%	BFF Bank SpA	8.5%	0.08%
Media and Games Invest SI	2.82%	Cliq Digital AG	5.1%	0.07%
Heidelberger Druckmaschi	2.71%	Erste Group Bank AG	7.5%	0.07%

PERFORMANCE ATTRIBUTION (EXCL. FEES) - SEPTEMBER 2021

Du 31/08/2021 au 30/09/2021	Average Weight	Total Return	Contribution To Return
Total	100.0	-6.23	-6.23
Financials	7.6	2.36	0.18
Energy	2.8	4.93	0.14
Utilities	0.0	0.00	0.00
Real Estate	1.2	-7.13	-0.09
Communication Services	3.7	-4.58	-0.17
Materials	2.7	-9.42	-0.26
Health Care	6.4	-4.77	-0.30
Consumer Staples	4.7	-11.07	-0.52
Information Technology	19.2	-7.95	-1.53
Consumer Discretionary	16.7	-9.51	-1.59
Industrials	34.8	-6.00	-2.09

Source: FactSet

COUNTRY BREAKDOWN (30/09/2021)



CALENDAR RETURNS

30/09/2021	2021	2020	2019	2018*	Since Inception
Digital Stars Eurozone NAV Acc	+21.6%	+18.3%	+30.5%	-19.2%	+51.9%
MSCI EMU NR	+15.6%	-1.0%	+25.5%	-13.0%	+24.9%
MSCI EMU Small Cap NR	+19.7%	+5.5%	+28.2%	-16.5%	+35.1%

* Performances 2018 calculated from inception date (01/10/2018)

Important information: Digital Funds Stars Eurozone 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.

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: Belgium, France, Luxembourg, Switzerland, UK

KEY FIGURES (30/09/2021)

NAV (Acc): € 151.86
NAV (R): € 148.19
NAV (I): € 153.35

Beta 1Y vs Benchmark: 0.80
Beta 3Y vs Benchmark: --
Volatility 1Y: 16.1%
Volatility 3Y: --
Sharpe Ratio 1Y: 2.22
Sharpe Ratio 3Y: --
SRRI (Acc Share): 6

Median Market Capitalisation: € 3 642 M
Median % of Market Volume: 1.9%
% Small Caps (< EUR2Bio): 38.7%
% Mid Caps (EUR [2Bio; 5Bio]): 19.8%
% Large Caps (>EUR 5Bio): 41.5%