

1. Introduction

We have decided at a corporate-level to exclude certain sectors and practices from our entire range of long-only funds.

Thus, we have banned investment in companies active in the production of weapons and war material. This includes not only very controversial weapons such as cluster bombs, anti-personnel mines and nuclear weapons (“Don’t bank on the bomb”), but also more “conventional” weapons, usually considered less controversial.

Chahine Capital has also decided not to invest in companies whose income from coal mining activities (thermal coal, metallurgical coal, and coke) exceeds 30% of their total revenue.

In addition, companies involved in tobacco production are also excluded.

Finally, we do not invest in companies breaching fundamental ethical standards (violation of individual rights, non-respect of human rights, severe environmental damage, etc.), including companies whose operations or suppliers violate the 10 principles of the UNGC (United Nations Global Compact). We rely on the exclusion list established by Norges Bank, and on RepRisk’s UNGC Violator Flag.

We have supplemented our existing daily-risk policy with a component related to ESG controversies. Indeed, business conduct risks related to human rights, labour, environment and corruption can result in risks to company reputation and profits, and therefore in a risk borne by the final investor. Thus, we exclude companies with a high level of controversy (levels defined in our ESG Risk Control procedure, available on demand). We use the external RepRisk database for this purpose.

Finally, we have set up an SRI policy and signed the United Nations Principles for Responsible Investment (UNPRI).

2. Glossary

RepRisk Index (RRI): A quantitative measure that dynamically captures a company’s or project’s reputational risk related to ESG issues. The RRI facilitates an initial assessment of the ESG risks associated with investments or business relationships, allows the comparison of a company’s exposure with that of its peers, and helps track risk trends over time.

The RRI ranges from zero (lowest) to 100 (highest). The higher the value, the higher the risk exposure:

0-24: generally denotes low risk exposure

25-49: represents medium risk exposure

50-59: denotes high risk exposure

60-74: denotes very high risk exposure

75-100: denotes extremely high risk exposure

RepRisk Rating (RRR): A letter rating that facilitates corporate benchmarking against a peer group and the sector, as well as integration of ESG and business conduct risks into business processes. The Rating provides decision support in risk management, compliance, investment management, and supplier risk assessment.

The RepRisk Rating ranges from AAA to D:

AAA, AA, A denotes low ESG risk exposure

BBB, BB, B denotes moderate ESG risk exposure

CCC, CC, C denotes high ESG risk exposure

D denotes very high ESG risk exposure

UN Global Compact Violator Flag: Allows to easily identify companies that have a high risk or potential risk of violating one or more of the ten UNGC Principles. With the Flag, it is possible to see if the UNGC violations are primarily linked to the operations or to the supply chain of a company.

3. Digital Stars Europe

EXCLUDED COMPANIES

16 Stocks have been excluded or not integrated during Q1 2021 in a portfolio composed of 180 Stocks.

Excluded companies in Digital Stars Europe in Q1 2021 were principally basic materials and automobiles (for environmental reasons), Banks (Alleged collusion and market manipulation), and one stock involved in war material production.

Date	Fund	Stock	ISIN	Exclusion Criteria	Remark
05/01/2021	Digital Stars Europe	Arcelor Mittal	LU1598757687	RRI 48>40, Potential UNGC Violator (Environment)	Not integrated Price momentum
15/01/2021	Digital Stars Europe	HEXPOL AB Class B	SE0007074281	Social 36>30, Injured workers in Fire on a plant	Sold from the portfolio Theo Revmark
15/01/2021	Digital Stars Europe	A.P. Moller - Maersk A/S Class B	DK0010244508	RRI 42>40 Corruption in Liberia	Sold from the portfolio NN Momentum
15/01/2021	Digital Stars Europe	BHP Group Plc	GB00BH0P3Z91	Potential UNGC Violator (environmental)	Not integrated Earnings momentum
15/01/2021	Digital Stars Europe	Qinetiq	GB00B0WMWD03	Defence activity	Not integrated Earnings momentum
15/01/2021	Digital Stars Europe	Rio Tinto plc	GB0007188757	RRI 51>40 (Pollution)	Not integrated Earnings momentum
27/01/2021	Digital Stars Europe	Zur Rose Group AG	CH0042615283	Governance 31>30 (Unfair competition)	Not integrated Price momentum
11/02/2021	Digital Stars Europe	Umicore	BE0974320526	Potential UNGC Violator (supplier)	Not integrated Earnings momentum
25/02/2021	Digital Stars Europe	Stellantis	NL00150001Q9	RRI 58>40 (Corruption, Tax evasion, pollution)	Sold from the portfolio Price Momentum , obt
25/02/2021	Digital Stars Europe	Glencore Plc	JE00B4T3BW64	RRI >50 (pollution + Social) and potential UNGC violator (Environment)	Not integrated Price momentum
15/03/2021	Digital Stars Europe	Daimler AG	DE0007100000	RRI 56>40 (Emission cheating scandal)	Not integrated Earnings Momentum
15/03/2021	Digital Stars Europe	Daimler AG	DE0007100000	RRI 56>40 (Emission cheating scandal)	Not integrated NN Momentum
15/03/2021	Digital Stars Europe	Evrax Plc	GB00B71N6K86	Coal Activity	Not integrated NN Momentum
22/03/2021	Digital Stars Europe	Barclays Plc	GB00031348658	RRI 48>40 (link with big polluters, alleged collusion and market manipu	Not integrated Price Momentum
22/03/2021	Digital Stars Europe	Volkswagen AG	DE0007664005	UNGC Violator (Environment), RRI 59>50 (Pollution, Emission cheating s	Not integrated Price Momentum
22/03/2021	Digital Stars Europe	Porsche Automobil Holding SE P	DE000PAH0038	UNGC potential violator (Environment)	Not integrated Price Momentum
22/03/2021	Digital Stars Europe	Tullow Oil	GB0001500809	UNGC potential violator (Environment)	Not integrated Price Momentum

The detailed stock exclusion reports are available on demand.

ESG REPUTATIONAL RISK (Weighted average based on RepRisk Index, as of 31/03/2021)

Digital Stars Europe: 10 / 100

MSCI Europe: 27 / 100

Digital Stars Europe exhibits a weighted average ESG Reputational Risk 63% below that of its benchmark (MSCI Europe).

2-YEAR PEAK ESG REPUTATIONAL RISK (Weighted average based on the 2-Year Peak RepRisk Index, as of 31/03/2021)

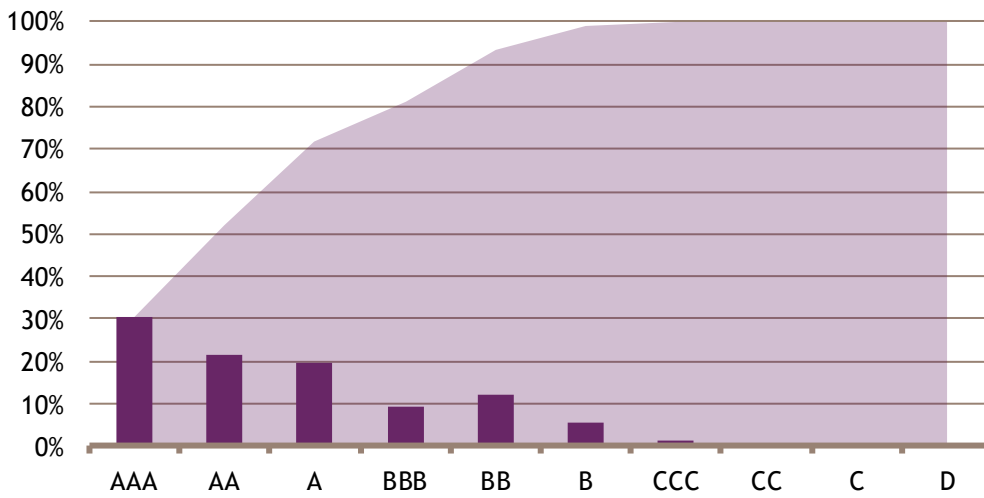
Digital Stars Europe: 17 / 100

MSCI Europe: 40 / 100

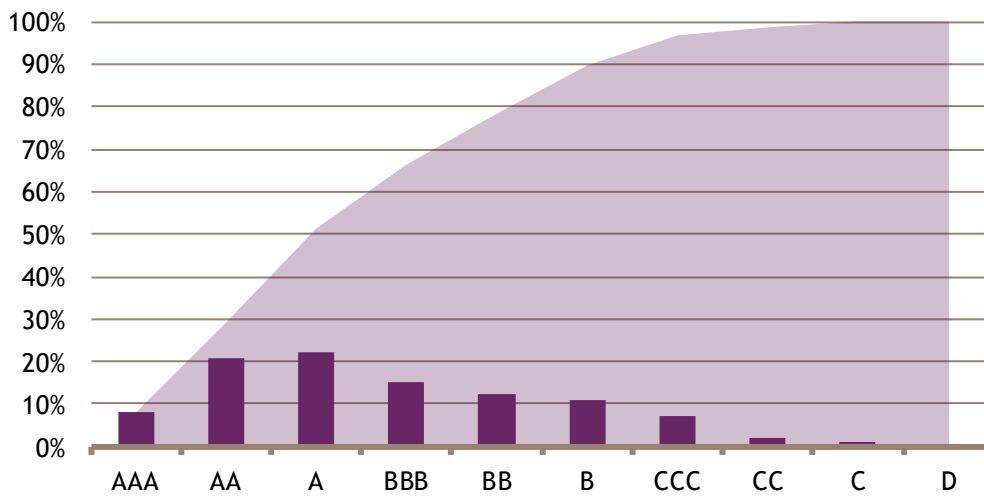
Digital Stars Europe exhibits a weighted average 2-year Peak ESG Reputational Risk 57% below that of its benchmark (MSCI Europe).

ESG REPRISK RATING

Digital Stars Europe



MSCI Europe



70% of the fund stocks have an ESG RepRisk Rating AAA, AA, A, vs. 50% for the benchmark.

4. Digital Stars Europe Ex-UK

EXCLUDED COMPANIES

10 Stocks have been excluded or not integrated during Q1 2021 in a portfolio composed of 160 Stocks.

Excluded companies in Digital Stars Europe Ex-UK in Q1 2021 were principally basic materials and automobiles (for environmental reasons) and Shipping for Corruption.

Date	Fund	Stock	ISIN	Exclusion Criteria	Remark
04/01/2021	Digital Stars Europe ex U	Arcelor Mittal	LU1598757687	RRI 48>40, Potential UNGC Violator	Not integrated Price momentum
14/01/2021	Digital Stars Europe ex U	HEXPOL AB Class B	SE0007074281	Social 36>30, Injured workers in Fire on a plant	Sold from the portfolio Theo Revmark
14/01/2021	Digital Stars Europe ex U	A.P. Moller - Maersk A/S Class B	DK0010244508	RRI 42>40 Corruption in Liberia	Sold from the portfolio NN Momentum
26/01/2021	Digital Stars Europe ex U	Zur Rose Group AG	CH0042615283	Governance 31>30 (Unfair competition)	Not integrated Price momentum
11/02/2021	Digital Stars Europe ex U	Umicore	BE0974320526	Potential UNGC Violator (supplier)	Not integrated Earnings momentum
11/02/2021	Digital Stars Europe ex U	Fjordkraft	NO0010815673	Governance 33>30 Violating Marketing Act by failing to adequately com	Sold Earnings momentum
23/02/2021	Digital Stars Europe ex U	Stellantis	NL00150001Q9	RRI 58>40 (Corruption, Tax evasion, pollution)	Sold from the portfolio Price Momentum , obt
12/03/2021	Digital Stars Europe ex U	Daimler AG	DE0007100000	RRI 56>40 (Emission cheating scandal)	Not integrated Earnings Momentum
12/03/2021	Digital Stars Europe ex U	Daimler AG	DE0007100000	RRI 56>40 (Emission cheating scandal)	Not integrated NN Momentum
29/03/2021	Digital Stars Europe ex U	Volkswagen AG	DE0007664005	UNGC Violator (Environment), RRI 59>50 (Pollution, Emission cheating s	Not integrated Price Momentum
29/03/2021	Digital Stars Europe ex U	Porsche Automobil Holding SE	DE000PAH0038	UNGC potential violator (Environment)	Not integrated Price Momentum

The detailed stock exclusion reports are available on demand.

ESG REPUTATIONAL RISK (Weighted average based on RepRisk Index, as of 31/03/2021)

Digital Stars Europe Ex-UK: 10 / 100

MSCI Europe Ex-UK: 25 / 100

Digital Stars Europe Ex-UK exhibits a weighted average ESG Reputational Risk 63% below that of its benchmark (MSCI Europe ex UK).

2-YEAR PEAK ESG REPUTATIONAL RISK (Weighted average based on the 2-Year Peak RepRisk Index, as of 31/03/2021)

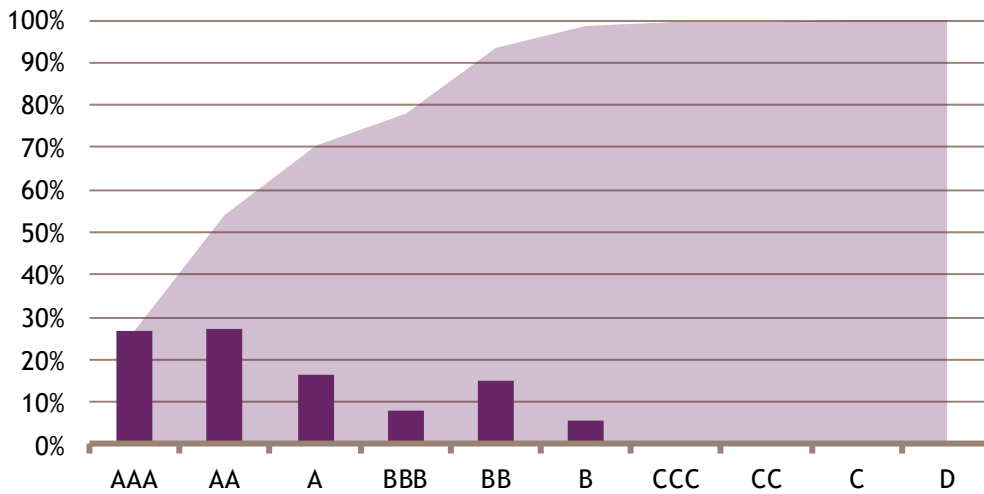
Digital Stars Europe Ex-UK: 17 / 100

MSCI Europe Ex-UK: 38 / 100

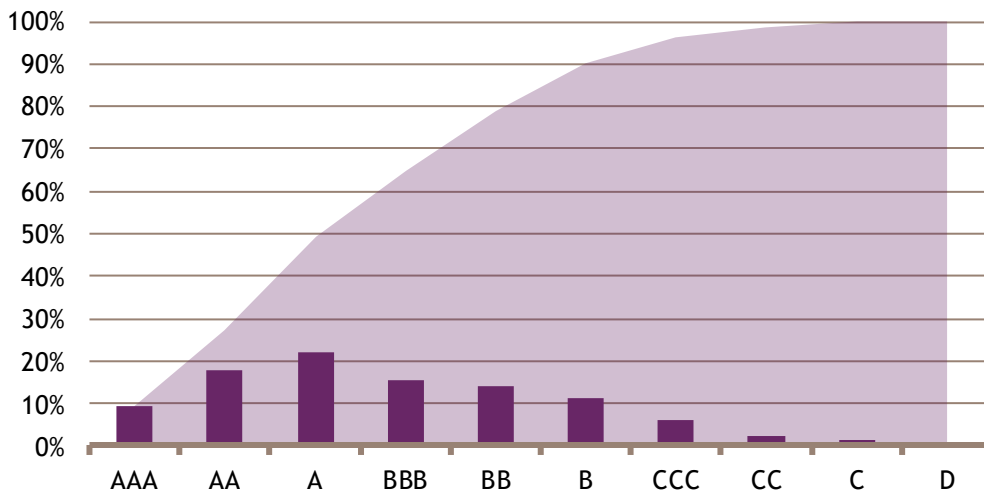
Digital Stars Europe Ex-UK exhibits a weighted average 2-year Peak ESG Reputational Risk 57% below that of its benchmark (MSCI Europe ex UK).

ESG REPRISK RATING

Digital Stars Europe Ex-UK



MSCI Europe Ex-UK



70% of the fund stocks have an ESG RepRisk Rating AAA, AA, A, vs. 50% for the benchmark.

5. Digital Stars Eurozone

EXCLUDED COMPANIES

2 Stocks have been excluded or not selected during Q1 2021 in a portfolio composed of 56 Stocks.

Excluded companies in Digital Stars Eurozone in Q1 2021 were from the automobiles sector (for environmental reasons).

Date	Fund	Stock	ISIN	Exclusion Criteria	Remark
26/03/2021	Digital Stars Eurozone	Volkswagen AG	DE0007664005	UNGC Violator (Environment), RRI 59-50 (Pollution, Emission cheating)	Not integrated Price Momentum
26/03/2021	Digital Stars Eurozone	Porsche Automobil Holding SE	DE000PAH0038	UNGC potential violator (Environment)	Not integrated Price Momentum

The detailed stock exclusion reports are available on demand.

ESG REPUTATIONAL RISK (Weighted average based on RepRisk Index, as of 31/03/2021)

Digital Stars Eurozone: 9.3 / 100

MSCI EMU: 25.2 / 100

Digital Stars Eurozone exhibits a weighted average ESG Reputational Risk 63% below that of its benchmark (MSCI EMU).

2-YEAR PEAK ESG REPUTATIONAL RISK (Weighted average based on the 2-Year Peak RepRisk Index, as of 31/03/2021)

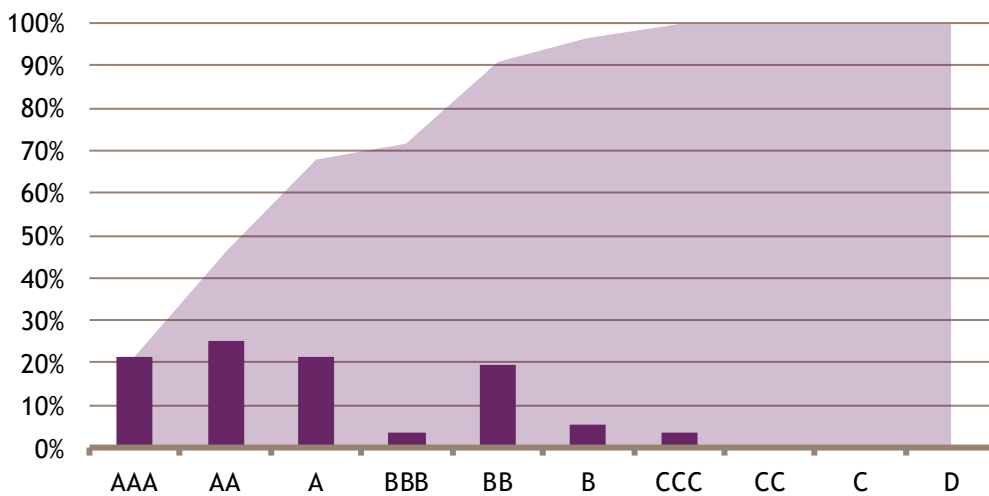
Digital Stars Eurozone: 15.7 / 100

MSCI Europe Small Cap: 39.1 / 100

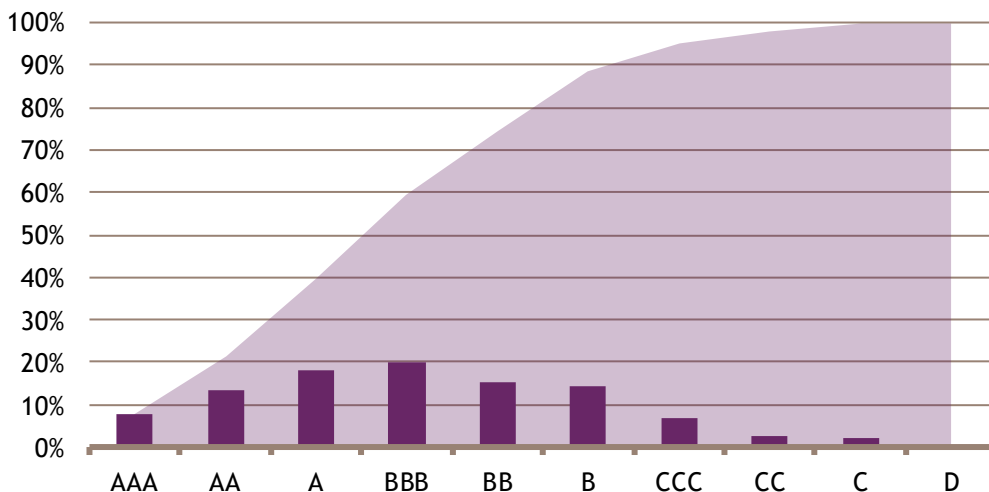
Digital Stars Eurozone exhibits a weighted average 2-year Peak ESG Reputational Risk 60% below that of its benchmark (MSCI EMU).

ESG REPRISK RATING

Digital Stars Eurozone



MSCI EMU



68% of the fund stocks have an ESG RepRisk Rating AAA, AA, A, vs 39% for the benchmark.

6. Digital Stars Europe Smaller Companies

EXCLUDED COMPANIES

1 Stock has been excluded during Q1 2021 in a portfolio composed of 85 Stocks.

The reason for the exclusion of Reach Plc comes from accusations of racism in their news coverage.

Date	Fund	Stock	ISIN	Exclusion Criteria	Remark
29/03/2021	Digital Stars Europe Sm	Reach plc	GB0009039941	RR(5) 35>30 (Accused of racism in their news coverage)	Sold from the portfolio

The detailed stock exclusion reports are available on demand.

ESG REPUTATIONAL RISK (Weighted average based on RepRisk Index, as of 31/03/2021)

Digital Stars Europe Smaller Companies: 4.6 / 100

MSCI Europe Small Cap: 6.6 / 100

Digital Stars Europe Smaller Companies exhibits a weighted average ESG Reputational Risk 30% below that of its benchmark (MSCI Europe Small Cap).

2-YEAR PEAK ESG REPUTATIONAL RISK (Weighted average based on the 2-Year Peak RepRisk Index, as of 31/03/2021)

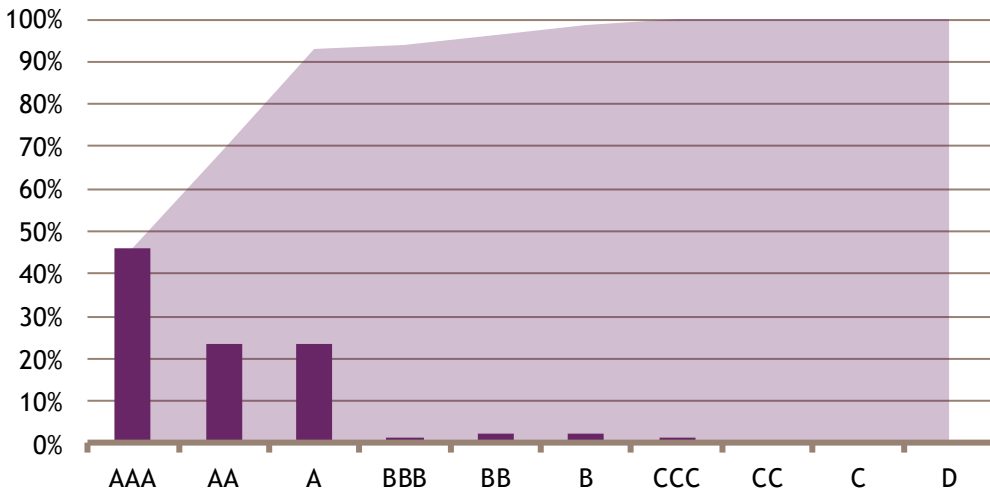
Digital Stars Europe Smaller Companies: 9.9 / 100

MSCI Europe Small Cap: 14.7 / 100

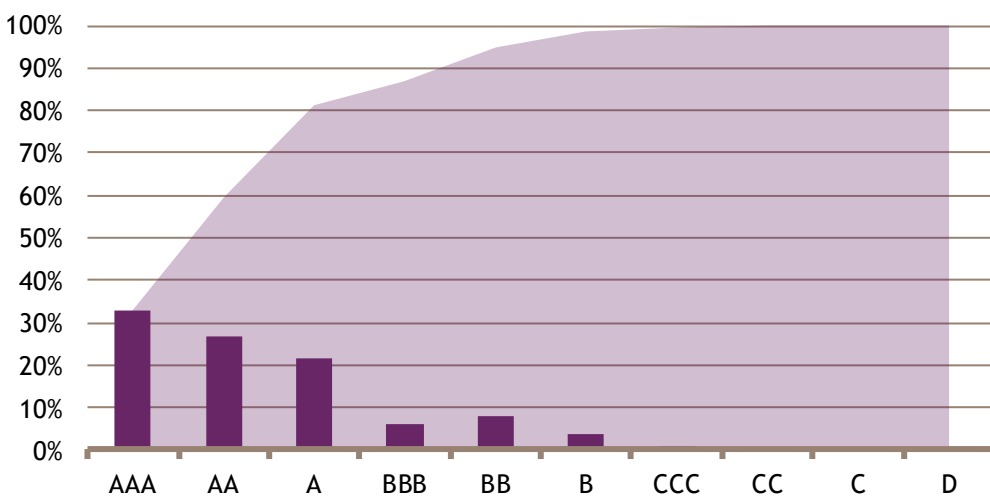
Digital Stars Europe Smaller Companies exhibits a weighted average 2-year Peak ESG Reputational Risk 33% below that of its benchmark (MSCI Europe Small Cap).

ESG REPRISK RATING

Digital Stars Europe Smaller Companies



MSCI Europe Small Cap



90% of the fund stocks have an ESG RepRisk Rating AAA, AA, A, vs 80% for the benchmark.

7. Digital Stars US Equities

EXCLUDED COMPANIES

1 Stock has been excluded during Q1 2021 in a portfolio composed of 50 Stocks.

The reason for the exclusion of Pinterest comes from accusations of toxic workplace environment caused by discrimination.

Date	Fund	Stock	ISIN	Exclusion Criteria	Remark
21/01/2021	Digital Stars US Equities	Pinterest	US72352L1061	RRI 44>40, RRI(S) 30.8>30 (Toxic workplace environment, discrimination)	Sold from the portfolio

The detailed stock exclusion reports are available on demand.

ESG REPUTATIONAL RISK (Weighted average based on RepRisk Index, as of 31/03/2021)

Digital Stars US Equities: 5.4 / 100

S&P 500: 30.7 / 100

Digital Stars US Equities exhibits a weighted average ESG Reputational Risk 82% below that of its benchmark (S&P 500).

2-YEAR PEAK ESG REPUTATIONAL RISK (Weighted average based on the 2-Year Peak RepRisk Index, as of 31/03/2021)

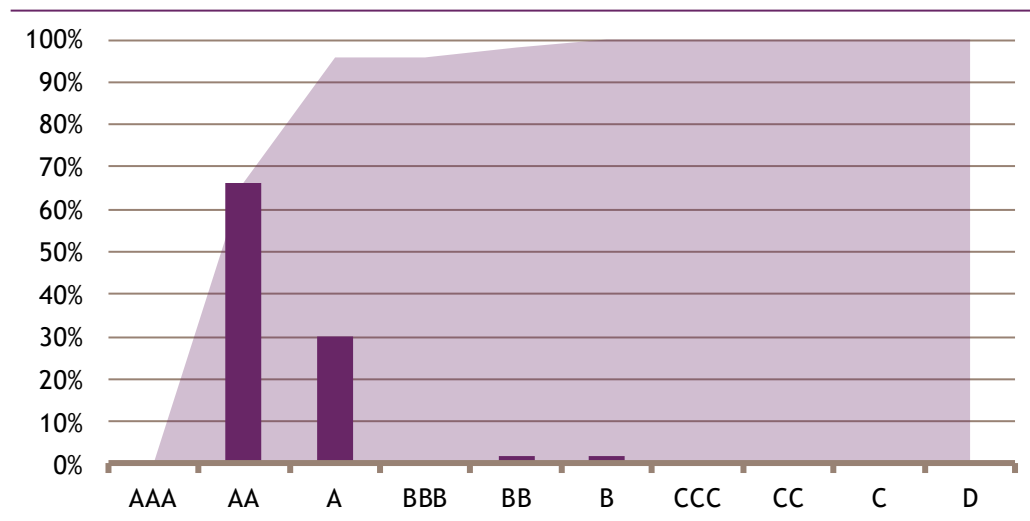
Digital Stars US Equities: 13.1 / 100

S&P 500: 44 / 100

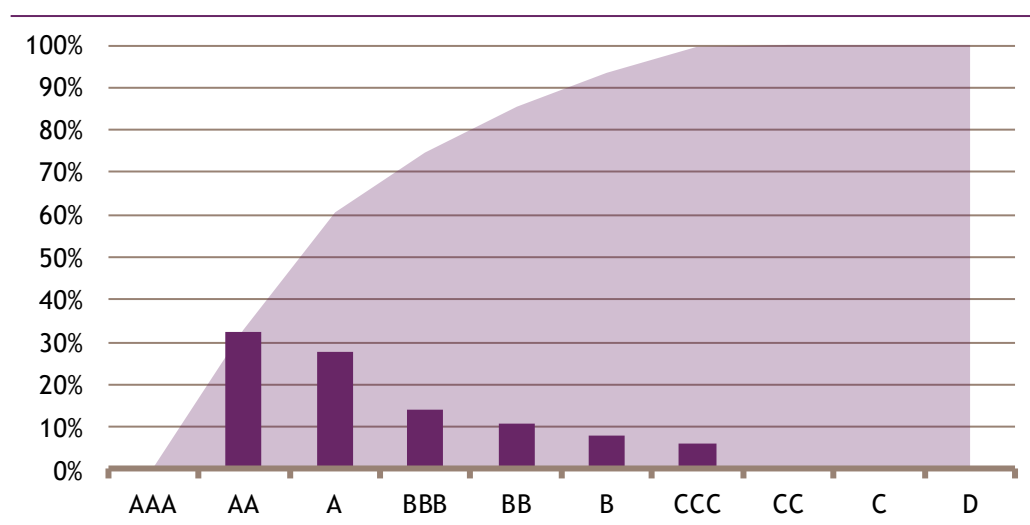
Digital Stars US Equities exhibits a weighted average 2-year Peak ESG Reputational Risk 70% below that of its benchmark (S&P 500).

ESG REPRISK RATING

Digital Stars US Equities



S&P 500



96% of the fund stocks have an ESG RepRisk Rating AAA, AA, A, vs 61% for the benchmark.