

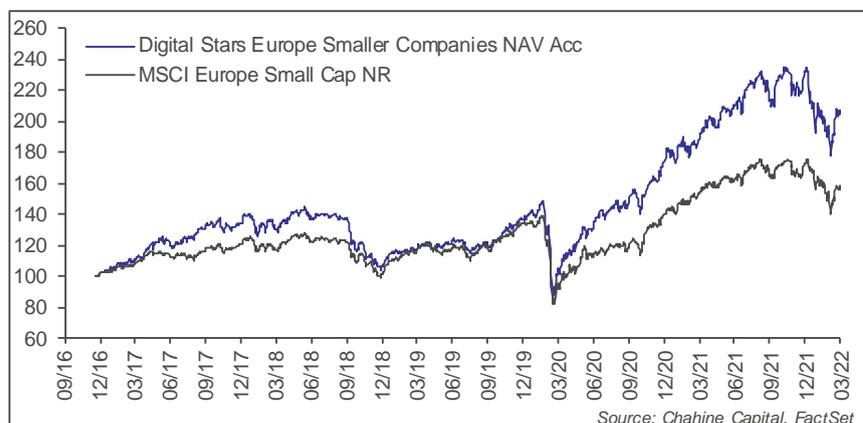


Monthly update

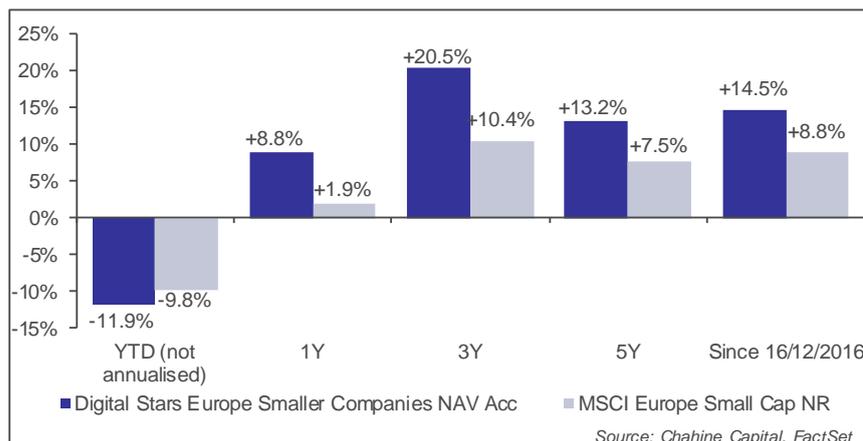
Equity indices rose in March (MSCI Europe NR +0.8%, MSCI USA NR +3.5%), above their pre-Ukraine invasion levels. The YTD drop in equities has been contained (MSCI Europe NR -5.3%, MSCI USA NR -5.3%) and this may seem surprising in a context where inflation is reaching high levels (+5.9% in the Eurozone, +7.9% in the US), and where a violent military conflict is taking place at the doorstep of Europe. However, a fundamental reading of the context justifies the robustness of the equity indices, which have proved to be much more resilient than the bond indices YTD. Global GDP growth should be around +3% according to economists' forecasts, vs. +4% at the beginning of the year. At the same time, 2022 earnings expectations have been steadily revised upwards. In the US, the S&P 500 2022 EPS has been raised by +1.6% YTD, including +1.0% in March. In Europe, the expected 2022 EPS for the STOXX Europe 600 has risen by +7.0% YTD and +1.8% in March. This is due to the excessive conservative stance of analysts at the beginning of the year, but also to the significant increase in expectations in some sectors such as energy, mining and industrials. Earnings growth for 2022 stands at +9.5% on both sides of the Atlantic, and the equity risk premium remains attractive, despite the rate hike observed in March (+6.6% in Europe, vs. 5% historical average).

Digital Stars Europe Smaller Companies Acc ended up at +3.9% in March, significantly outperforming the MSCI Europe Small Cap NR at +0.7%. Most of the stocks in the portfolio performed well, in particular thanks to earnings publications (mobilezone, K+S). Unsurprisingly, energy, which is well represented in the fund, was the leading sector over the month (Serica Energy, OKEA, Hurricane Energy). Technology stocks also performed remarkably well (SES-imagotag, HANZA Holding, Allgeier, Nagarro).

COMPARISON WITH AN INDEX (IN EUR)



ANNUALISED RETURNS AS OF 31/03/2022



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 reviews have strengthened energy, as well as materials and utilities. IT and industry stocks were significantly reduced, as well as healthcare and finance.

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

The United Kingdom (biggest underweight) is the largest weight with 18.7%, ahead of Norway with 13.3% which became the biggest country bet following the energy push.

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:	€ 10.6 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 (31/03/2022)

Top Positions	Weights	Top contributors	1 Month Perf	1 Month Contribution
Hexatronic Group AB	2.75%	Serica Energy PLC	42.3%	0.72%
MPC Container Ships ASA	2.57%	NP3 Fastigheter AB	23.4%	0.32%
VERBIO AG	2.40%	Hexatronic Group AB	11.4%	0.31%
GFT Technologies SE	2.21%	mobilezone holding AG	21.1%	0.30%
Serica Energy PLC	2.16%	MPC Container Ships ASA	12.9%	0.30%

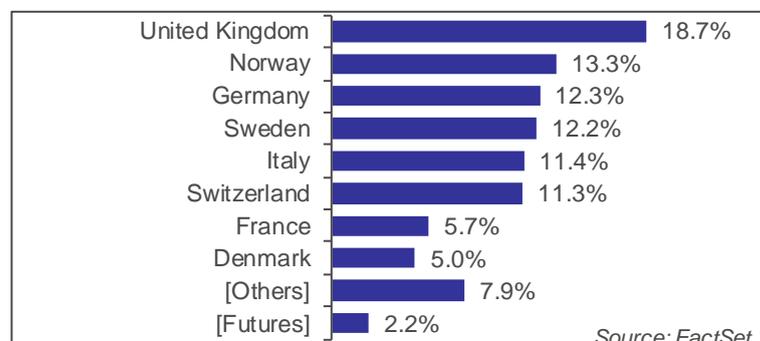
Source: FactSet

PERFORMANCE BREAKDOWN (EXCL. FEES) - MARCH 2022

Mar-2022	Average Weight	Total Return	Contribution To Return
Total	100.0	4.27	4.27
Information Technology	18.4	4.58	0.92
Energy	6.1	13.86	0.90
Financials	16.1	4.07	0.65
Materials	5.6	9.14	0.54
Real Estate	6.2	7.21	0.51
Industrials	21.6	1.98	0.42
Consumer Discretionary	8.0	3.23	0.25
Utilities	3.8	3.17	0.13
Communication Services	0.9	10.33	0.08
Health Care	5.9	1.29	0.07
[Futures]	2.3	0.80	-0.05
Consumer Staples	5.2	-1.18	-0.14

Source: FactSet

COUNTRY BREAKDOWN (31/03/2022)



Source: FactSet

CALENDAR RETURNS

31/03/2022	2022	2021	2020	2019	2018	2017	2016*	Since Inception
Digital Stars Europe Smaller Companies NAV Acc	-11.9%	+33.6%	+27.3%	+29.7%	-21.2%	+32.6%	+1.0%	+105.2%
MSCI Europe Small Cap NR	-9.8%	+23.8%	+4.6%	+31.4%	-15.9%	+19.0%	+1.4%	+56.0%

* 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 (31/03/2022)

VNI (Acc):	€ 205.16
VNI (Acc1):	€ 97.27
VNI (R):	€ 96.85
VNI (I):	€ 155.42
VNI (I USD):	\$ 166.66

Risk statistics	1Y	3Y
Beta vs. Benchmark	1.25	0.96
Volatility	23.0%	22.7%
Sharpe Ratio	0.38	0.90

Source: FactSet

SRRI (Acc Share):	6
# positions:	93
Equity Exposure:	99.7%
Median Market Capitalisation:	€ 1 430 M
Médiane % Market Volume:	3.8%
% Micro caps (< EUR 500m):	11.8%
% Small caps (< EUR 2Mds):	56.1%
% Mid caps (< EUR 5Mds):	25.4%
% Large caps (>EUR 5Mds):	6.8%

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 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.