

Digital Stars Europe

February 2022

This is a marketing communication
For professional investors only



CHAHINE CAPITAL
PERFORMANCE ENGINEERING

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About us



Innovation for more than 20 years

- Independent investment manager based in Luxembourg, Paris and Frankfurt
- Pioneer in quantitative “Momentum” strategies applied to equities (launch of the Digital Funds SICAV in 1998)
- 19 employees
- A seasoned and stable team of PMs and Researchers, composed of scientific engineers
- EUR 1.6 Bln of assets under management as of 22/02/2022
- UCITS format



23

Years of track record



19

employees



1.6 Bln

of assets under management
as of 22/02/2022

A seasoned and stable investment team



Julien Bernier

**Chief Investment Officer
Lead Portfolio Manager**

Julien joined Chahine Capital in 2001 and has more than 20 years of experience in portfolio management.

He is a graduate of Centrale Nantes and holds a MBA from IAE – Paris.



Aymar de Léotoing

**Portfolio Manager
Quantitative Researcher**

Aymar joined Chahine Capital in 2016. He has more than 20 years of experience and has developed a strong experience within FactSet and Amundi as a quantitative analyst.

He is a graduate of ESTP Paris and Certificate in Quantitative Finance (CQF) holder.



Stéphane Levy

**Strategist,
Head of innovation**

Stéphane joined Chahine Capital in 2018. With more than 20 years of experience, he has been CIO at Geneva Partners SA and Director at Montpensier Finance.

He is a graduate of ESSEC Business School and ENSEEIHT.



Alexandre Morlot

**Portfolio Manager
Quantitative Researcher**

Alexandre joined Chahine Capital in 2018.

He is a graduate of École des Mines de Saint-Étienne.



Rayan Ben Redjeb

Quantitative Researcher

Rayan joined Chahine Capital in 2020.

He is a graduate of ENSTA Paris and Ecole Polytechnique.



Coumba-Gallo Touré

**ESG Analyst,
Assistant Portfolio Manager**

Coumba-Gallo joined Chahine Capital in 2021 after completing her studies.

She is a graduate of the Institut Mines-Télécom Business School.

Digital Fund range

		DIGITAL STARS EUROPE	DIGITAL STARS EUROPE EX-UK	DIGITAL STARS EUROPE SMALLER COMPANIES	DIGITAL STARS US EQUITIES	DIGITAL STARS EUROZONE	DIGITAL MARKET NEUTRAL EUROPE
ASSET CLASS		LONG-ONLY EQUITY					EQUITY MARKET NEUTRAL
METHODOLOGY		DIGITAL STARS (QUANT MOMENTUM PROPRIETARY MODEL)					DIGITAL TOP-DOWN, DIGITAL MULTISMART, DIGITAL STARS
INVESTMENT UNIVERSE	LARGE CAPS	◆	◆		◆	◆	◆
	MID CAPS	◆	◆	◆	◆	◆	◆
	SMALL CAPS	◆	◆	◆	◆	◆	
	GEOGRAPHY	EUROPE	EUROPE EX UK	EUROPE	USA	EUROZONE	EUROPE
AUM		EUR 899 M	EUR 581 M	EUR 11 M	USD 25 M	EUR 9 M	EUR 15 M
INCEPTION		NOVEMBER 13th, 1998	JUNE 30th, 2006	DECEMBER 16th, 2016	OCTOBER 16th, 2017	OCTOBER 1st, 2018	JANUARY 27th, 2020

Data as of 22/02/2022

Funds registered for sale in France, Luxembourg, Switzerland, Belgium, the Netherlands, Italy, Sweden, Germany, Spain, Austria and the United Kingdom.
Please go to www.chahinecapital.com in order to check which share classes are registered in each of the above countries.

Net Performances as of 22/02/2022 (retail share class)

	Digital Stars Europe NAV Acc	MSCI Europe NR	Digital Stars Europe Ex-UK NAV Acc	MSCI Europe ex UK NR	Digital Stars Eurozone NAV Acc	MSCI EMU NR	Digital Stars Europe Smaller Companies NAV Acc	MSCI Europe Small Cap NR	Digital Stars US Equities NAV Acc USD	MSCI USA NR
YTD	-14.4%	-5.8%	-14.0%	-8.4%	-12.3%	-7.2%	-15.9%	-11.0%	-16.5%	-10.1%
2021	+30.7%	+25.1%	+33.9%	+24.4%	+32.0%	+22.2%	+33.6%	+23.8%	+37.9%	+26.5%
2020	+15.6%	-3.3%	+20.2%	+1.7%	+18.3%	-1.0%	+27.3%	+4.6%	+23.8%	+17.8%
2019	+31.4%	+26.0%	+30.1%	+27.1%	+30.5%	+25.5%	+29.7%	+31.4%	+28.9%	+30.9%
2018	-19.5%	-10.6%	-17.2%	-10.9%			-21.2%	-15.9%	-13.2%	-5.0%
2017	+23.7%	+10.2%	+25.0%	+11.4%			+32.6%	+19.0%		
2016	+0.7%	+2.6%	+5.0%	+2.4%						
2015	+24.7%	+8.2%	+24.7%	+10.7%						
2014	+3.5%	+6.8%	+3.6%	+6.4%						
2013	+36.0%	+19.8%	+37.1%	+22.1%						
2012	+22.7%	+17.3%	+22.4%	+19.4%						
2011	-16.0%	-8.1%	-21.4%	-12.4%						
2010	+32.6%	+11.1%	+32.3%	+8.6%						
2009	+37.0%	+31.6%	+36.1%	+28.4%						
2008	-48.3%	-43.6%	-42.2%	-42.7%						
2007	+1.8%	+2.7%	+9.7%	+5.2%						
2006	+36.6%	+19.6%								
2005	+41.5%	+26.1%								
2004	+18.7%	+12.2%								
2003	+29.0%	+15.3%								
2002	-18.8%	-30.7%								
2001	-11.0%	-15.5%								
Cumulative	+733.8%	+205.7%	+347.5%	+119.3%	+44.5%	+22.5%	+95.9%	+53.9%	+65.1%	+78.7%
Annualised	+9.5%	+4.9%	+10.0%	+5.1%	+11.4%	+6.2%	+13.8%	+8.7%	+12.2%	+14.3%
Inception Date	13/11/1998		30/06/2006		01/10/2018		16/12/2016		16/10/2017	

Performances as of 22/02/22

Past performance is not indicative of future returns.

Source: FactSet

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Fund investment strategy



Investment Philosophy

- **Active long-only strategy** within the All-Cap European Equity universe
- Aims at identifying '**Stars***' companies which have the ability to significantly out-perform small, mid and large cap benchmarks
- **Aim to outperform** the small, mid and large cap benchmarks
- **Momentum** Strategies implemented through proprietary quantitative models
- **Inflection points smoothing tools:** profit taking in case of exuberant outperformance or when best and worst performers strongly de-correlate
- Focus on portfolio **diversification** and **liquidity**

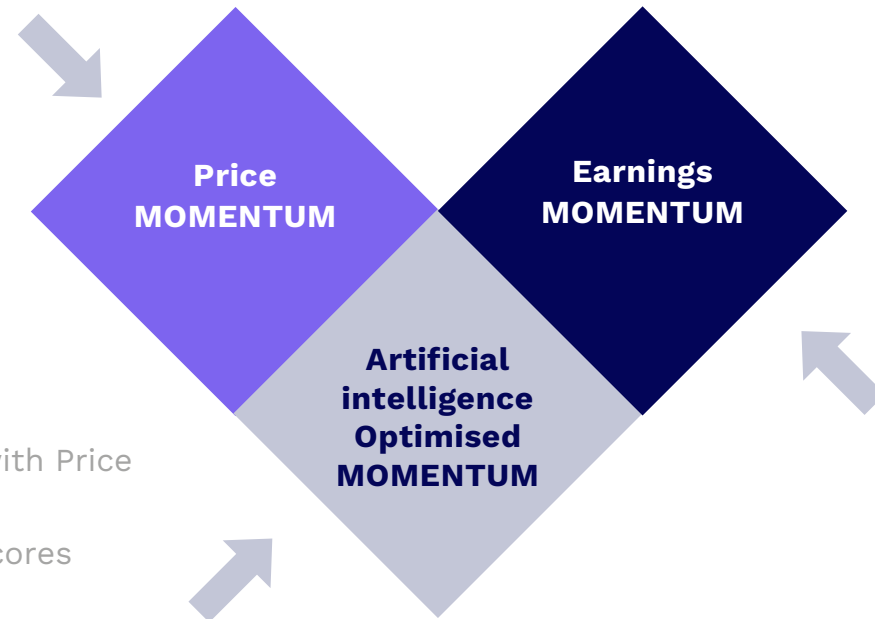
* By “Stars”, we mean the companies able to surprise investors repeatedly.

Quantitative Model Momentum Signals

Digital Stars funds proprietary models are based on 3 signals:

- 1- to 6-month **time period**
- Ranking and selection** based on relative outperformance vs benchmark, adjusted by long-term volatility

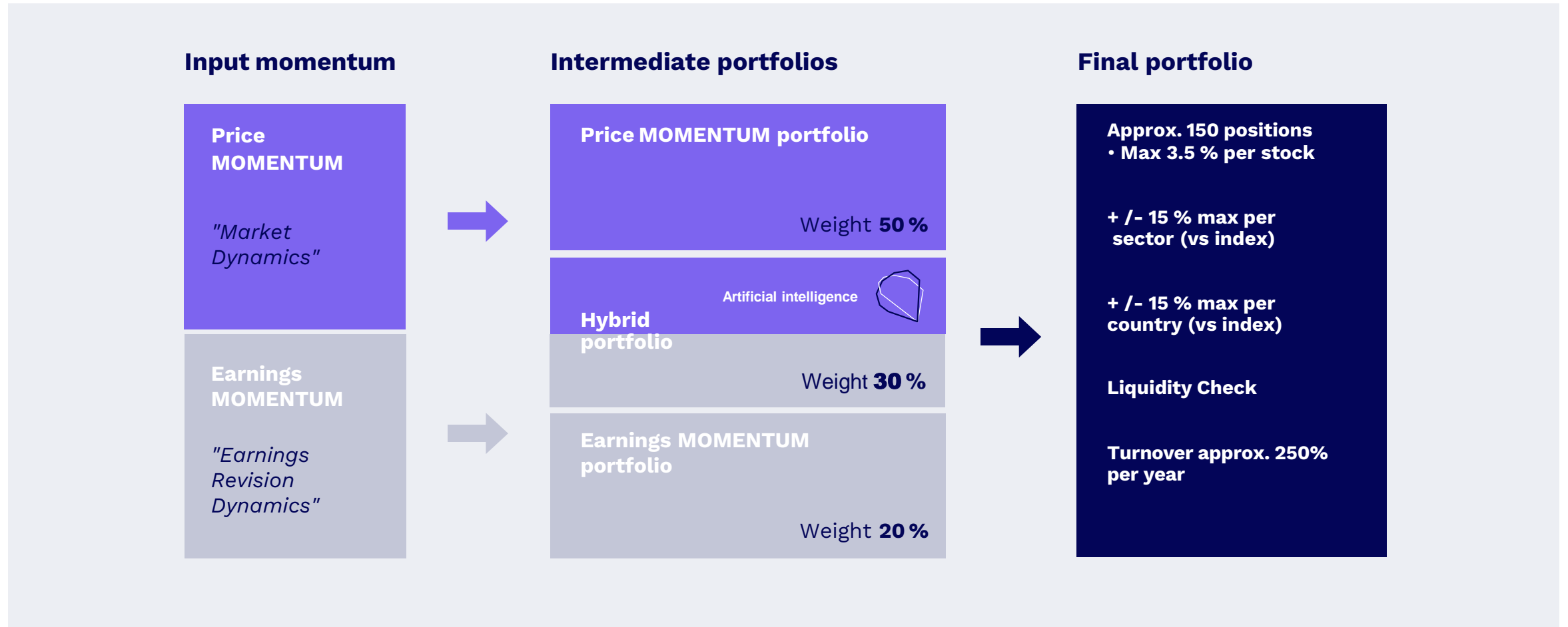
- Machine Learning model** trained with Price and Earnings Momentum data
- Ranking and selection** based on scores



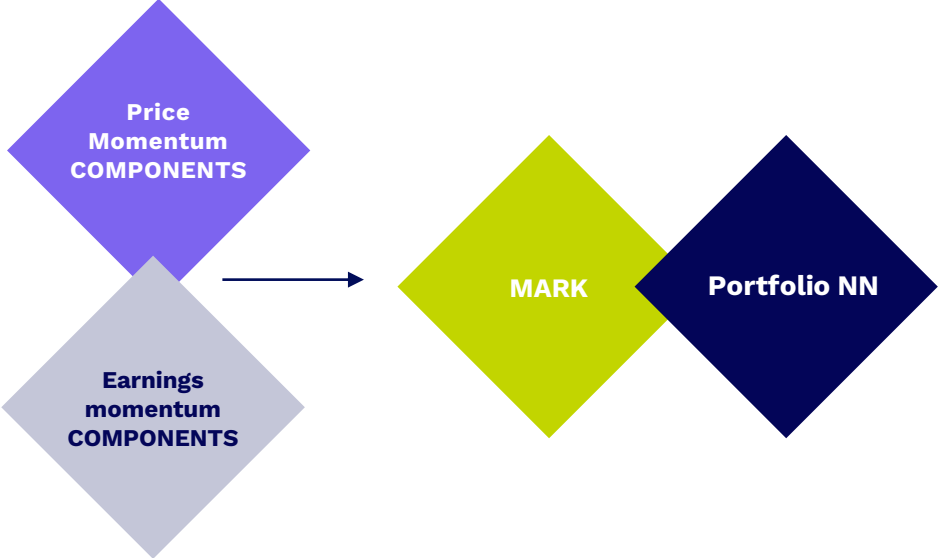
- Based on EPS revisions** (Upward, Stable, Downward)
- Selection of stocks** for which a maximum of analysts revise upward their FY1 and FY2 estimates over the last 100 days

3 Complementary Performance Engines

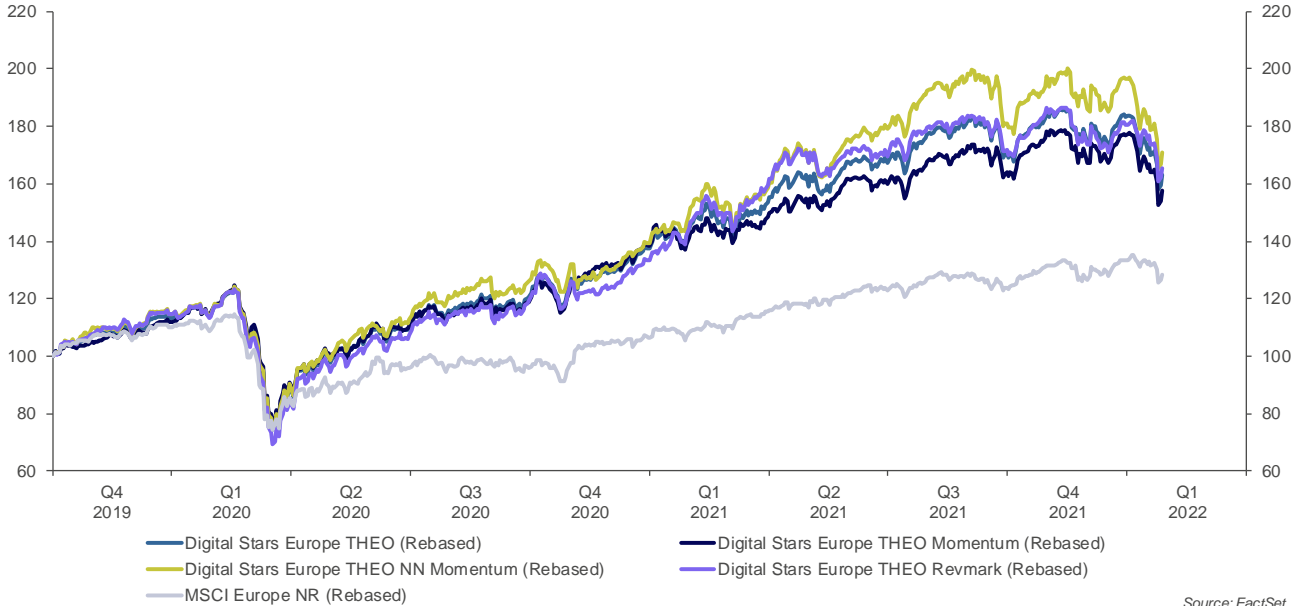
Price momentum, earnings momentum and AI-optimized momentum



Artificial Intelligence Neural Network



Performances of the various components of Digital Stars Europe



Source: FactSet

Past performance is not indicative of future returns.

A responsible investment approach (SFDR Article 8)

LABEL

LuxFLAG has awarded the ESG label to 4 of our funds (Digital Stars Europe, Digital Stars Europe Ex-UK, Digital Stars Europe Smaller Companies, Digital Stars US Equities).



COMMITMENT

Chahine Capital is a signatory to the United Nations Principles for Responsible Investment (UN PRI) and is committed to respecting their 6 principles.

Finally, Chahine Capital has initiated a CSR (Corporate Social Responsibility) initiative in order to demonstrate its commitment as a corporate citizen.



NORMATIVE AND SECTOR EXCLUSION POLICY, ESG CONTROVERSIES

Our ESG process is based on normative exclusion and controversies:

- Exclusion of tobacco, coal, weapons, in line with the Norges Bank List ;
- Exclusion of companies whose operations violate the 10 UNGC principles ;
- Exclusion of most controversial companies, with RepRisk ESG indicators.



SRI VOTING POLICY

An SRI voting policy has been set up within Chahine Capital in order to act at all shareholders' meetings of the companies. We also apply SRI voting recommendations provided by the research of our partner ISS.



The LuxFLAG ESG label for the Digital Stars Europe, Digital Stars Europe Ex-UK, Digital Stars Europe Smaller Companies and Digital Stars US Equities fund is valid until 31 December 2022.

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Fund characteristics and track-record



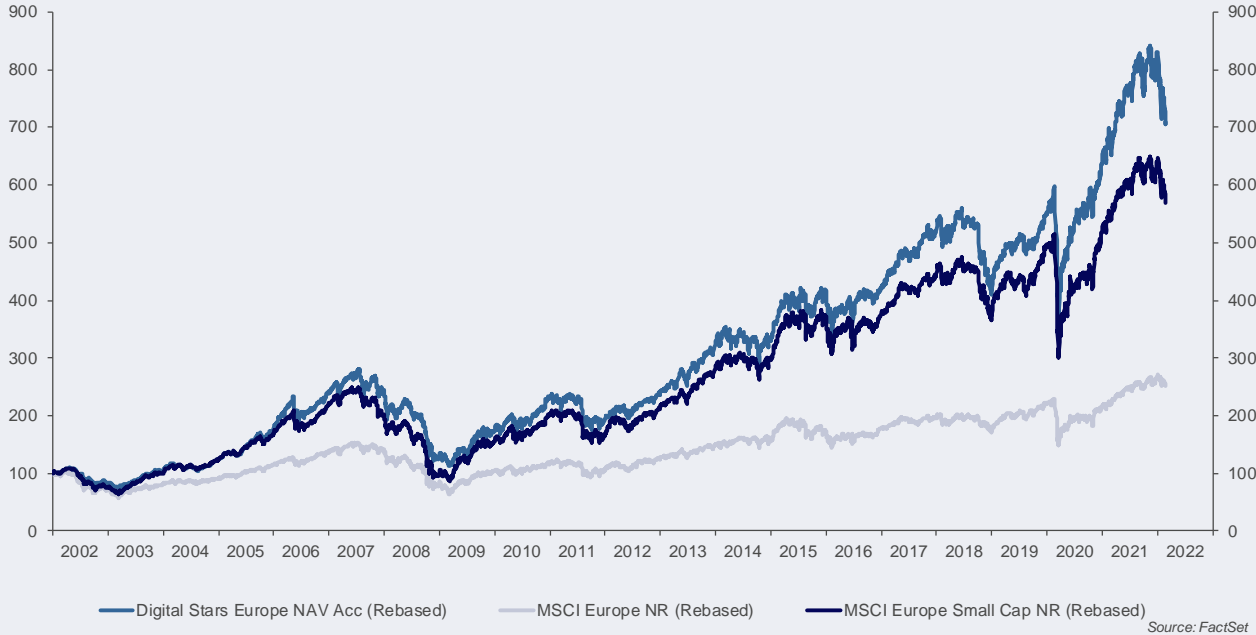
Digital Stars Europe



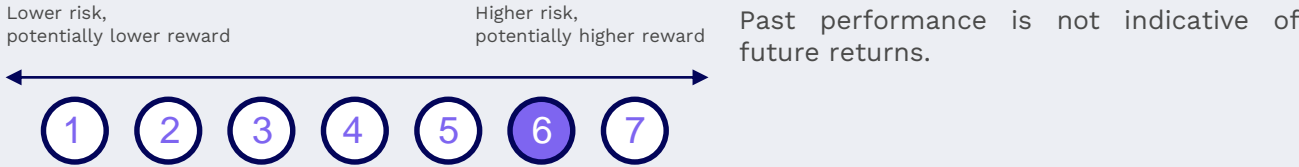
	Inception Date:	13-Nov-1998
	Currency:	Euro
	Share Classes:	EUR (Acc/Dist/Retail/Inst), GBP (Dist), USD (Acc)
	Investment Area:	EU15, UK, Norway and Switzerland
	Investment Universe:	Equities, All-Cap
	Benchmark:	MSCI Europe NR
	AuM:	€899m as of 22/02/2022

The LuxFLAG ESG label for the Digital Stars Europe fund is valid until 31 December 2022.

-14.4% YTD as of 22/02/2022
+733.8% since inception (+9.5% annualised)

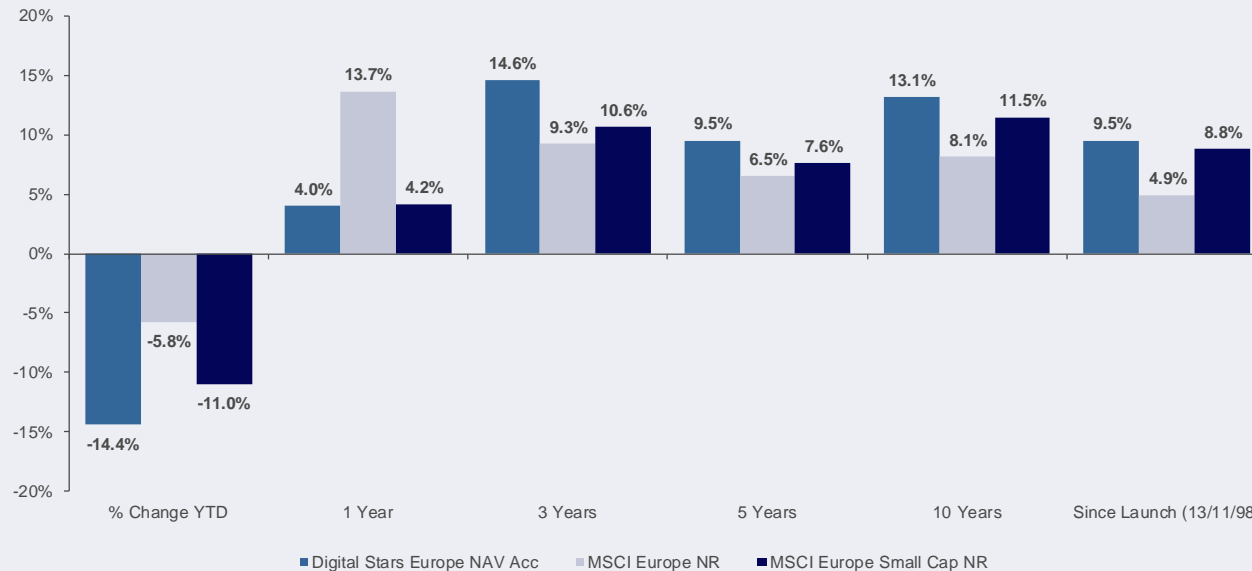


Proven ability to outperform
European Large Cap and Small Cap indices.



Historical performance

Digital Stars Europe Annualised Performance as of 22/02/22



Performances are annualised for all time horizons, except "YTD"

Source: FactSet

Lower risk,
potentially lower reward

Higher risk,
potentially higher reward



Past performance is not indicative of future returns.

Digital Stars Europe

UCITS European Equities **All-Cap**

Launched in **1998**

Annualised performance (net of fees) : **+9.5%**
(benchmark: +4.9%)

Volatility: **16.4%** (benchmark: 15.2%)

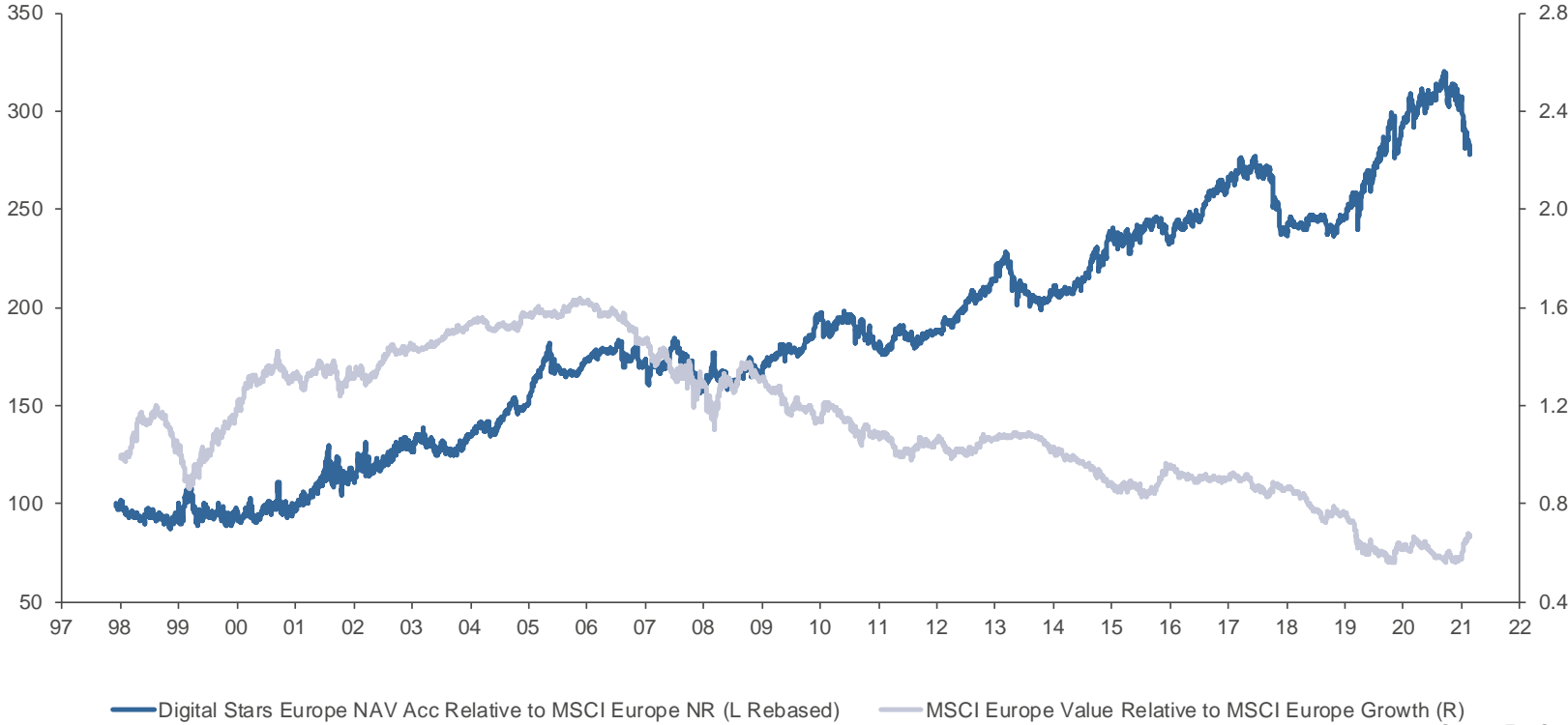
Sharpe ratio: **0.63**

Annualised alpha: +4.6%

AuM: **€899m** as of 22/02/2022

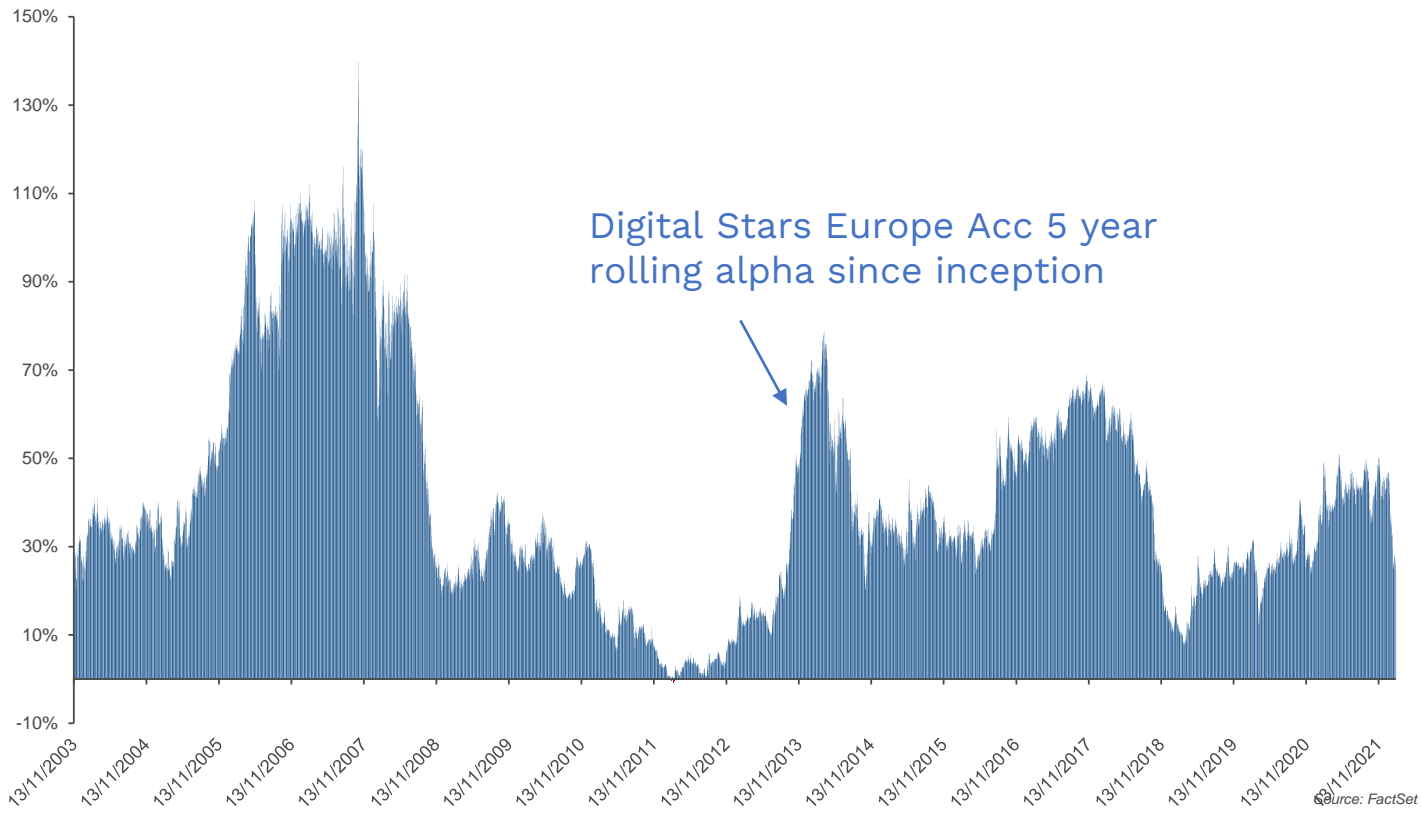
Consistent alpha generation in different market configurations

Base 100 Digital Stars Europe NAV Acc Relative to MSCI Europe NR in EUR as of 22/02/22



Past performance is not indicative of future returns.

DSE has been able to outperform in 99.9% of cases on a 5-year rolling window



- Digital Stars Strategy is well designed to strive in selective and dispersed years
- Low dispersion environments can be more challenging
- On a 5-year rolling window since inception, Digital Stars Europe has outperformed in 99.9% of cases (annualised alpha +4.7%), **while systematically facing drawdowns periods**

Past performance is not indicative of future return. For illustrative purpose only. This does not constitute an investment recommendation.
From 13/11/1998 to 09/02/2022, daily observations
Source Chahine Capital / Factset

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Current portfolio positioning



“Stars” in 2021

31-DEC-2020 to 31-DEC-2021

	Country	GICS Sector	Beginning Weight	Ending Weight	Average Weight	Total Return	Contribution To Return
Total			100.00	100.00	100.00	34.09	34.09
10 Highest			11.55	11.08	13.47	106.45	11.49
ASM International N.V.	NL	Information Technology	2.29	2.97	2.75	117.86	2.36
Evolution AB	SE	Consumer Discretionary	2.58	--	1.57	76.64	1.90
NIBE Industrier AB Class B	SE	Industrials	1.37	1.79	1.65	98.88	1.27
MPC Container Ships ASA	NO	Industrials	--	1.48	1.00	258.72	1.07
Nordic Semiconductor ASA	NO	Information Technology	0.62	1.55	1.21	125.28	0.89
Qt Group Plc	FI	Information Technology	0.37	1.21	1.14	131.94	0.88
Hapag-Lloyd AG	DE	Industrials	--	0.56	0.88	203.67	0.85
Kindred Group plc Shs Swedish Deposit	SE	Consumer Discretionary	0.43	--	0.91	72.84	0.79
HelloFresh SE	DE	Consumer Staples	2.84	--	1.45	26.52	0.77
Future plc	GB	Communication Services	1.06	1.53	0.91	135.15	0.70
10 Lowest			2.89	0.18	2.04	-49.00	-1.57
Enad Global 7 AB	SE	Communication Services	--	--	0.14	-35.56	-0.12
thyssenkrupp AG	DE	Materials	--	--	0.10	-27.54	-0.13
Neste Corporation	FI	Energy	0.91	--	0.25	-14.19	-0.13
Vestas Wind Systems A/S	DK	Industrials	--	--	0.07	-19.10	-0.14
Siemens Gamesa Renewable Energy, S	ES	Industrials	0.64	--	0.22	-19.95	-0.14
ITM Power PLC	GB	Industrials	--	--	0.10	-37.36	-0.15
ElringKlinger AG	DE	Consumer Discretionary	0.30	0.18	0.47	-29.86	-0.16
Azelio AB	SE	Industrials	--	--	0.25	-41.52	-0.19
AO World Plc	GB	Consumer Discretionary	--	--	0.17	-40.21	-0.20
Alfen NV	NL	Industrials	1.05	--	0.27	-22.22	-0.23

Gross of fees estimated contributions

“Stars” in 2022

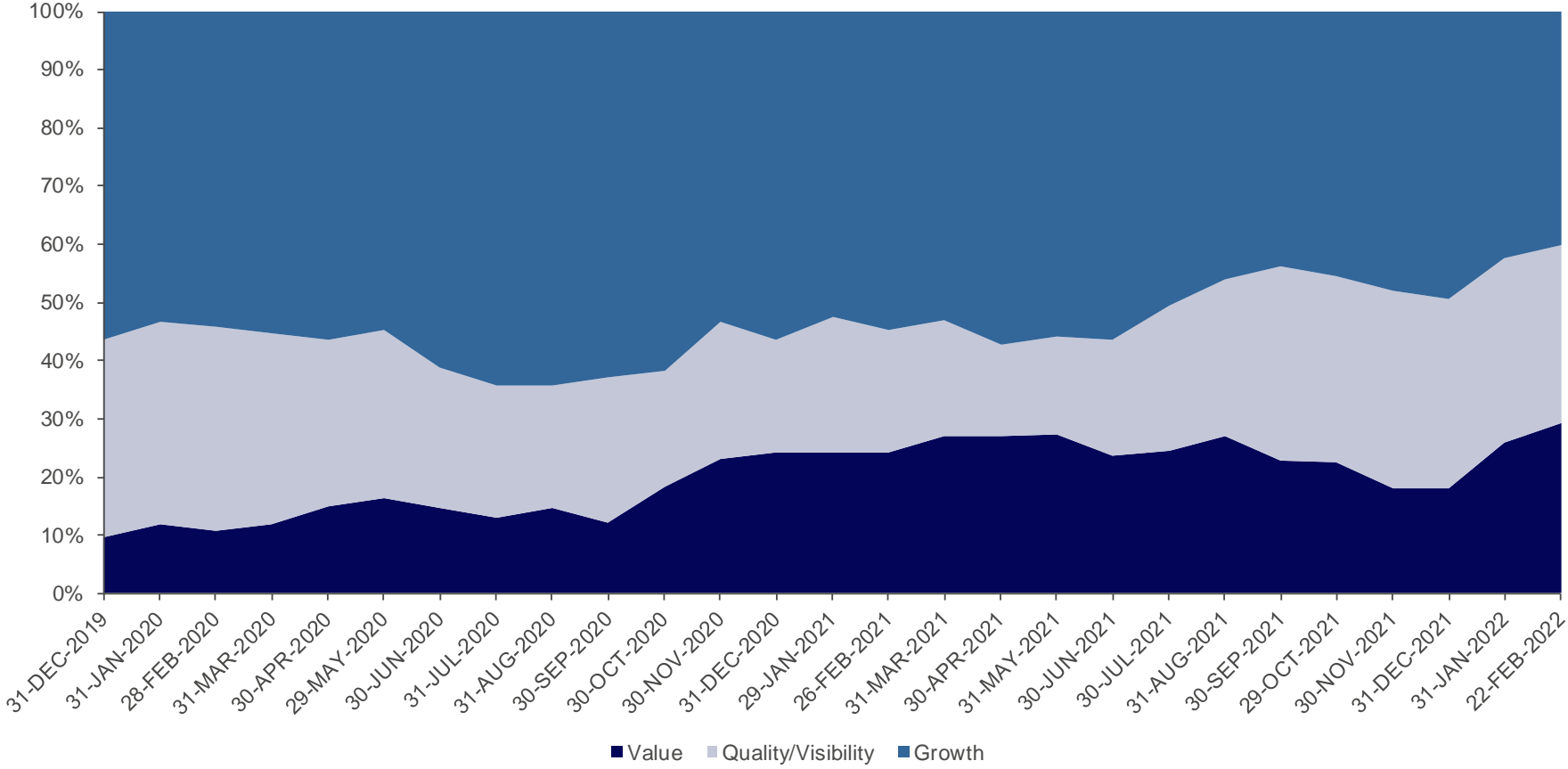
31-DEC-2021 to 22-FEB-2022

	Country	GICS Sector	Beginning Weight	Ending Weight	Average Weight	Total Return	Contribution To Return
Total			100.00	100.00	100.00	-13.89	-13.89
10 Highest			6.52	9.27	7.90	27.17	1.67
MPC Container Ships ASA	NO	Industrials	1.48	1.86	1.78	24.91	0.33
Eramet SA	FR	Materials	0.47	0.84	0.66	52.33	0.24
K+S AG	DE	Materials	0.58	0.90	0.72	37.97	0.21
Banco de Sabadell SA	ES	Financials	0.42	0.69	0.59	46.33	0.20
Aker Solutions ASA	NO	Energy	0.68	1.59	1.03	17.75	0.17
Banca IFIS S.p.A.	IT	Financials	0.53	1.18	0.90	18.34	0.14
Tenaris S.A.	IT	Energy	0.76	1.02	0.93	19.87	0.14
Alpha Services & Holdings SA	GR	Financials	0.38	0.54	0.48	25.35	0.09
BE Semiconductor Industries N.V.	NL	Information Technology	0.76	--	0.24	10.74	0.08
Intesa Sanpaolo S.p.A.	IT	Financials	0.44	0.65	0.59	16.97	0.07
10 Lowest			15.49	10.15	12.33	-28.88	-4.03
Straumann Holding AG	CH	Health Care	1.20	0.99	1.01	-26.01	-0.29
Arjo AB Class B	SE	Health Care	1.00	0.38	0.74	-35.42	-0.30
Merck KGaA	DE	Health Care	1.52	1.33	1.35	-21.92	-0.31
Samhallsbyggnadsbolaget I Norden AB	SE	Real Estate	1.19	0.95	1.01	-28.54	-0.31
VAT Group AG	CH	Industrials	1.23	1.02	1.09	-26.46	-0.32
Nordic Semiconductor ASA	NO	Information Technology	1.55	1.33	1.38	-23.13	-0.33
IMCD N.V.	NL	Industrials	1.51	1.23	1.32	-27.48	-0.40
Future plc	GB	Communication Services	1.53	1.14	1.35	-35.16	-0.54
ASM International N.V.	NL	Information Technology	2.97	1.78	2.06	-26.45	-0.59
NIBE Industrier AB Class B	SE	Industrials	1.79	--	1.01	-47.04	-0.64

Gross of fees estimated contributions

Historical Style Evolution

Digital Stars Europe - Style Evolution

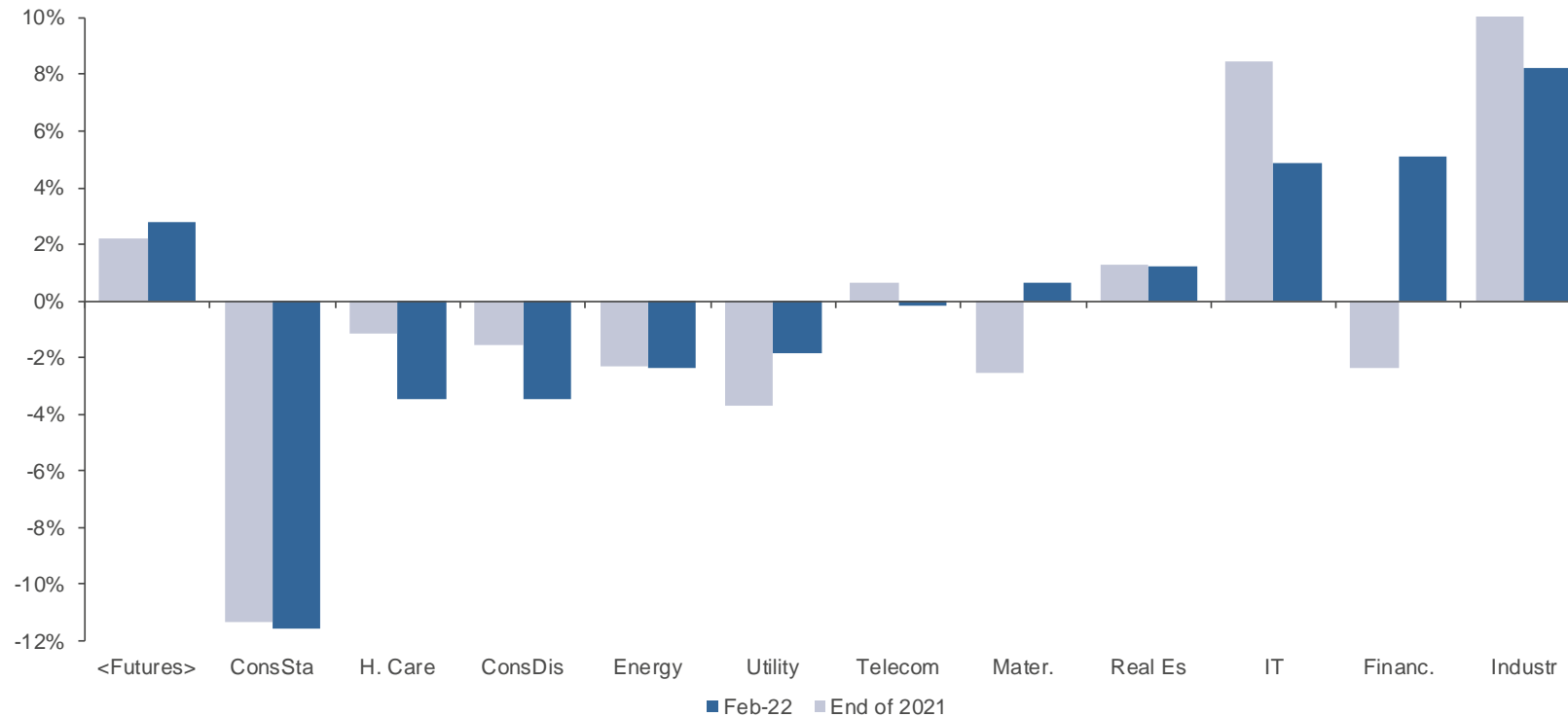


Source: FactSet

Style allocation is not constant and may vary over time.

Sector Bets vs Large Cap Index: a mix of High Growth + Value/Cyclicals – February 2022

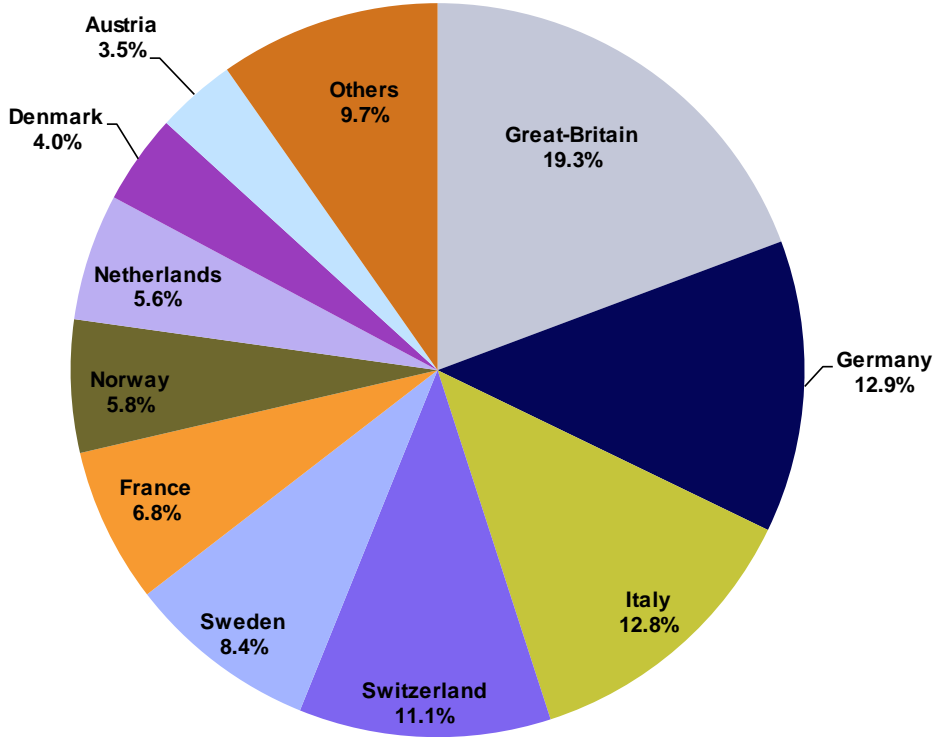
Active Weights by GICS Sector of Digital Stars Europe vs MSCI Europe



Source: FactSet

Sector allocation is not constant and may vary over time.

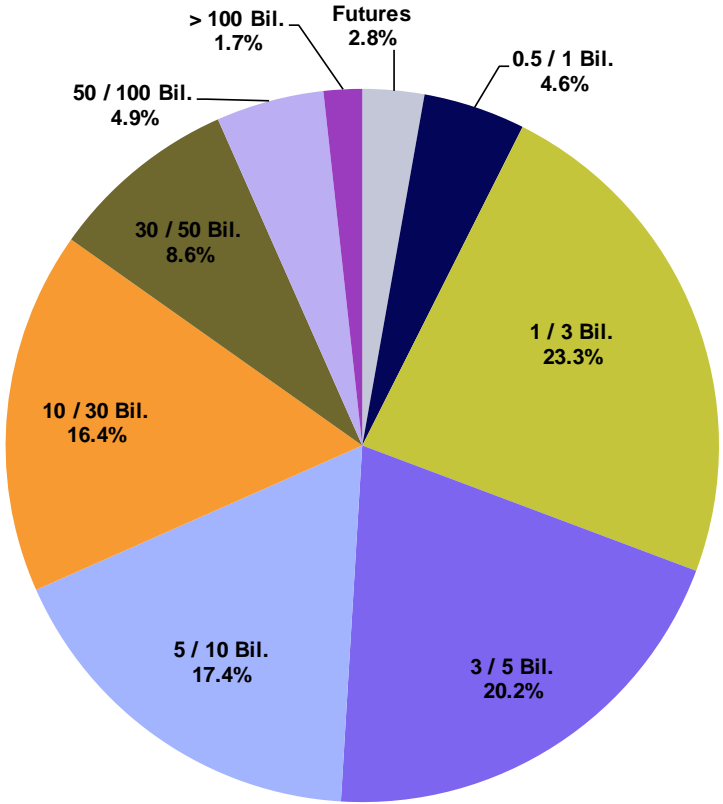
Country and Market Cap Breakdowns – February 2022



22/02/2022

Source: FactSet

Geographic breakdowns are not constant and may vary over time



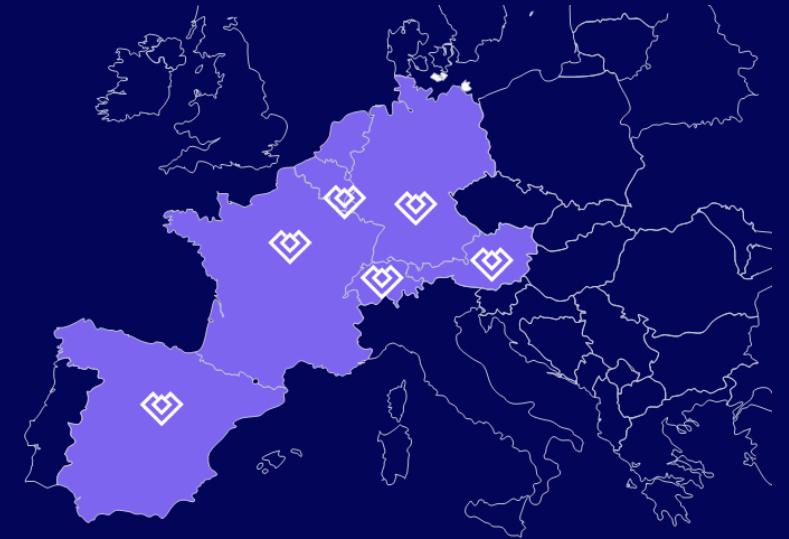
22/02/2022

Source: FactSet

Market capitalization breakdowns are not constant and may vary over time

Thank you!

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• 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. Chahine Capital cannot guarantee that any capital invested will maintain or increase in value.

• For relevant share classes, the Management Company can receive a performance fee when a sub-fund outperforms its benchmark during a performance reference period, notwithstanding a decline in its net asset value during such period. The performance fee is crystallized at the end of the SICAV fiscal year. Please refer to the SICAV prospectus for more detailed information about the performance fee calculation methodology and concrete examples of the impact of performance fee on the sub-fund net performance.

• 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.

Digital Funds SICAV –Share Classes

Sub Fund	Class	ISIN	Bloomberg	Inception Date	Currency	Clean share class	Minimum initial investment	Fees		Performance Fees		Fees charges by the management company (intermediaries may charge additional fees)		
								Management fees	Ongoing Charges	Benchmark	Subscription Fee	Redemption Fee	Conversion Fee	
Digital Funds – Stars Europe	Acc	LU0090784017	BILDSCE LX	13/11/98	EUR	no	no	1.50%	1.65%	15%	MSCI Europe Net Return Index	Max 5%	0%	Max 0.5%
Digital Funds – Stars Europe	Acc 1	LU1731919103	DFSEA1E LX	27/12/17	EUR	yes	5 K EUR	1.25%	1.55%	15%	MSCI Europe Net Return Index	Max 5%	0%	Max 0.5%
Digital Funds – Stars Europe	R	LU0323041763	DFSTARR LX	15/11/07	EUR	no	no	2.00%	2.16%	20%	MSCI Europe Net Return Index	Max 5%	0%	Max 0.5%
Digital Funds – Stars Europe ex-UK	Acc	LU0259626645	DFXUKAC LX	30/06/06	EUR	no	no	1.50%	1.65%	15%	MSCI Europe Ex-UK Net Return Index	Max 5%	0%	Max 0.5%
Digital Funds – Stars Europe ex-UK	Acc 1	LU1731919871	DFXUA1E LX	27/12/17	EUR	yes	5 K EUR	1.25%	1.55%	15%	MSCI Europe Ex-UK Net Return Index	Max 5%	0%	Max 0.5%
Digital Funds – Stars Europe ex-UK	R	LU0323041847	DISEEDF LX	16/07/21	EUR	no	no	2.00%	2.12%	20%	MSCI Europe Ex-UK Net Return Index	Max 5%	0%	Max 0.5%

This does not constitute an investment recommendation. Please refer to the Fund legal documentation (including but not limited to Prospectus and KIIDS) before making any investment decision.