

## **Mitteilung an alle Anteilseigner der Digital Stars Fonds:**

Anbei finden Sie die Information der Gesellschaft, folgende Fonds sind betroffen:

<b>LU0259626645</b>	<b>Digital Stars Europe Ex UK - Acc CAP</b>
<b>LU0090784017</b>	<b>Digital Stars Europe - Acc CAP</b>

Details können Sie der beigefügten Anlage entnehmen.

**Digital Funds**  
*Société d'investissement à capital variable*  
33A Avenue J.F. Kennedy  
L-1855 Luxembourg, Grand Duchy of Luxembourg  
RCS Luxembourg: B66323  
(the "**Fund**")

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**NOTICE TO SHAREHOLDERS OF THE SUB-FUNDS DIGITAL FUNDS – STARS EUROPE AND DIGITAL FUNDS – STARS EUROPE SMALLER COMPANIES**

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*This document is important and requires your immediate attention. If in doubt, you should seek independent professional financial advice.*

*Unless the context otherwise requires, words and expressions contained in this notice shall bear the same meaning as in the prospectus of the Fund dated June 2021 (the "**Prospectus**").*

Luxembourg, 13 October 2021

Dear Shareholder,

Notice is hereby given to you, as shareholders of the sub-funds Digital Funds – Stars Europe and Digital Funds – Stars Europe Smaller Companies (the "**Sub-Funds**") of the Fund, of the position taken by the Fund's management company in the context of the termination of the United Kingdom's membership to the European Union ("**Brexit**").

The Sub-Funds were eligible to the regulations governing the French *Plan d'Épargne en Actions* (PEA) until 31 December 2020 which is the date on which ends the transition period following the Brexit.

A grace period was granted by French legislation until 30 September 2021 as regards the eligibility ratios. However, the said Sub-Funds will not modify their investment policy nor their portfolio composition as a result of the Brexit. Therefore, the Sub-Funds will not anymore be eligible to the regulations governing the French PEA as from 1 October 2021.

In this context, you are urged to consult your own advisors or financial intermediary to analyse your particular situation and identify any actions to be taken in this respect.

An amended prospectus of the Fund dated October 2021 in which the PEA eligibility statement has been removed will be available at the registered office of the Fund and may be sent to you, free of charge, upon request.

Applicable prospectus and KIIDs are also available on the following website: <http://www.chahinecapital.com>

The board of directors of the Fund would like to remind you that shares of the Sub-Funds may be converted into shares of other sub-funds of the Fund, in particular the sub-funds Digital Funds – Stars Europe Ex-UK and Digital Funds – Stars Europe Eurozone which remain eligible to the French PEA. No conversion fee would be applied by the Fund in this context.

If you have any questions or would like any further information please contact us at our registered office.

Yours faithfully,

For the board of directors of the Fund

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NOTICE TO SHAREHOLDERS OF THE FUND

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*This document is important and requires your immediate attention. If in doubt, you should seek independent professional financial advice.*

*Unless the context otherwise requires, words and expressions contained in this notice shall bear the same meaning as in the prospectus of the Fund dated June 2021 (the "Prospectus").*

Luxembourg, 13 October 2021

Dear Shareholder,

Notice is hereby given to you, as shareholders of the Fund, of certain amendments (i) to the calculation method of the performance fee to take into account the ESMA guidelines of 5 November 2020 on performance fees in UCITS and certain types of AIFs (ESMA 34-39-992), (ii) the disclosures in relation to the benchmarks used for the calculation of the performance fee, as described below for each sub-fund of the Fund and (iii) the replacement of the benchmarks used for the calculation of the performance fee for the sub-funds Digital Funds Stars Europe Smaller Companies and Digital Funds Stars US Equities.

**A. Digital Funds Stars Europe**

*Calculation method of the performance fee (deleted wording strikethrough and insertions underlined)*

~~For purposes of applying the performance fee rate to all Classes except the Class "I 1", the Management Company begins each twelve-months period with zero gains. If there is an under-performance at the end of the twelve-months period, it will not be carried forward in the following twelve-months period; under-performance means that the net asset value increase or decrease is less than the increase or more than the decrease respectively of the Performance Index.~~

~~For purposes of applying the performance fee rate to the Class "I 1", a performance fee should only be payable in circumstances where positive overperformance has been accrued during the performance reference period (the "Performance reference period"). Any underperformance previously incurred during the Performance reference period should be recovered before a performance fee becomes payable. A performance fee could also be payable in case the Sub-Fund has overperformed the Benchmark but had a negative performance. Any underperformance of the Sub-Fund compared to the Benchmark is clawed back before any performance fee becomes payable. To this purpose, the length of the Performance reference period, is set equal to 5 years.~~

For purposes of applying the performance fee rate to all relevant classes, hence excluding classes "FC", "FI" and "FT", a performance fee should only be payable in circumstances where positive overperformance has been accrued during the performance reference period (the "Performance reference period"). Any underperformance previously incurred during the Performance reference period should be recovered before a performance fee becomes payable. A performance fee could also be payable in case the Sub-Fund has overperformed the Benchmark but had a negative performance. Any underperformance of the Sub-Fund compared to the Benchmark is clawed back before any performance fee becomes payable. To this purpose, the length of the Performance reference period, is set equal to 5 years.

*Disclosures in relation to the benchmark used for the calculation of the performance fee (deleted wording strikethrough and insertions underlined)*

~~MSCI Europe Net Return Index is being provided by MSCI Limited, in its capacity as administrator, as defined in the Benchmarks Regulation of the relevant benchmark (the "Benchmark Administrator"). As of the date of this visa-stamped Prospectus, the Benchmark Administrator is listed in the register referred to in article 36 of the Benchmarks Regulation as an administrator authorised pursuant to article 34 of the Benchmarks Regulation.~~

MSCI Europe Net Return Index is being provided by MSCI Limited, in its capacity as administrator, as defined in the Benchmarks Regulation of the relevant benchmark (the "Benchmark Administrator"). As of the date of this visa-stamped Prospectus, as a UK benchmark administrator, the Benchmark Administrator is listed in the FCA register for benchmark administrators, but is no longer listed in the ESMA register for benchmark administrators referred to in article 36 of the Benchmarks Regulation, following the expiration of the Brexit transition period on 31 December 2020. However the ESMA notice dated 9 March 2021 (ESMA80-187-881) allows the use of such third country benchmarks even if they are not included in the ESMA register during a transitional period running until 31 December 2023.

## **B. Digital Funds Stars Europe Ex-UK**

*Calculation method of the performance fee (deleted wording strikethrough and insertions underlined)*

~~For purposes of applying the performance fee rate, the Management Company begins each twelve months period with zero gains. If there is an under performance at the end of the twelve months period, it will not be carried forward in the following twelve months period; under performance means that the net asset value increase or decrease is less than the increase or more than the decrease respectively of the Performance Index.~~

For purposes of applying the performance fee rate, a performance fee should only be payable in circumstances where positive overperformance has been accrued during the performance reference period (the "Performance reference period"). Any underperformance previously incurred during the Performance reference period should be recovered before a performance fee becomes payable. A performance fee could also be payable in case the Sub-Fund has overperformed the Benchmark but had a negative performance. Any underperformance of the Sub-Fund compared to the Benchmark is clawed back before any performance fee becomes payable. To this purpose, the length of the Performance reference period, is set equal to 5 years.

*Disclosures in relation to the benchmark used for the calculation of the performance fee (deleted wording strikethrough and insertions underlined)*

~~MSCI Europe ex UK Net Return Index is being provided by MSCI Limited, in its capacity as administrator, as defined in the Benchmarks Regulation of the relevant benchmark (the "Benchmark Administrator"). As of the date of this visa-stamped Prospectus, the Benchmark Administrator is listed in the register referred to in article 36 of the Benchmarks Regulation as an administrator authorised pursuant to article 34 of the Benchmarks Regulation.~~

MSCI Europe ex UK Net Return Index is being provided by MSCI Limited, in its capacity as administrator, as defined in the Benchmarks Regulation of the relevant benchmark (the "Benchmark Administrator"). As of the date of this visa-stamped Prospectus, as a UK benchmark administrator, the Benchmark Administrator is listed in the FCA register for benchmark administrators, but is no longer listed in the ESMA register for benchmark administrators referred to in article 36 of the Benchmarks Regulation, following the expiration of the Brexit transition period on 31 December 2020. However the ESMA notice dated 9 March 2021 (ESMA80-187-881) allows the use of such third country benchmarks even if they are not included in the ESMA register during a transitional period running until 31 December 2023.

## **C. Digital Funds Stars Europe Smaller Companies**

*Calculation method of the performance fee (deleted wording strikethrough and insertions underlined)*

~~For purposes of applying the performance fee rate, the Management Company begins each twelve months period with zero gains. If there is an under performance at the end of the twelve months period, it will not be carried forward in the following twelve months period; under performance means that the net asset value~~

~~increase or decrease is less than the increase or more than the decrease respectively of the Performance Index.~~

For purposes of applying the performance fee rate, a performance fee should only be payable in circumstances where positive overperformance has been accrued during the performance reference period (the "Performance reference period"). Any underperformance previously incurred during the Performance reference period should be recovered before a performance fee becomes payable. A performance fee could also be payable in case the Sub-Fund has overperformed the Benchmark but had a negative performance. Any underperformance of the Sub-Fund compared to the Benchmark is clawed back before any performance fee becomes payable. To this purpose, the length of the Performance reference period, is set equal to 5 years.

*Benchmark replacement*

Current benchmarks: MSCI Europe Small Cap Index

New benchmark: MSCI Europe Small Cap Net Return Index

*Disclosures in relation to the benchmark used for the calculation of the performance fee (deleted wording strikethrough and insertions underlined)*

~~MSCI Europe Small Cap Index is being provided by MSCI Limited, in its capacity as administrator, as defined in the Benchmarks Regulation, of the relevant benchmark (the "Benchmark Administrator"). As of the date of this visa-stamped Prospectus, the Benchmark Administrator is listed in the register referred to in article 36 of the Benchmarks Regulation as an administrator authorised pursuant to article 34 of the Benchmarks Regulation.~~

MSCI Europe Small Cap Net Return Index is being provided by MSCI Limited, in its capacity as administrator, as defined in the Benchmarks Regulation, of the relevant benchmark (the "Benchmark Administrator"). As of the date of this visa-stamped Prospectus, as a UK benchmark administrator, the Benchmark Administrator is listed in the FCA register for benchmark administrators, but is no longer listed in the ESMA register for benchmark administrators referred to in article 36 of the Benchmarks Regulation, following the expiration of the Brexit transition period on 31 December 2020. However the ESMA notice dated 9 March 2021 (ESMA80-187-881) allows the use of such third country benchmarks even if they are not included in the ESMA register during a transitional period running until 31 December 2023.

#### **D. Digital Funds Stars US Equities**

*Calculation method of the performance fee (deleted wording strikethrough and insertions underlined)*

~~For purposes of applying the performance fee rate, the Management Company begins each twelve-months period with zero gains. If there is an under performance at the end of the twelve-months period, it will not be carried forward in the following twelve-months period; under performance means that the net asset value increase or decrease is less than the increase or more than the decrease respectively of the Performance Index.~~

For purposes of applying the performance fee rate, a performance fee should only be payable in circumstances where positive overperformance has been accrued during the performance reference period (the "Performance reference period"). Any underperformance previously incurred during the Performance reference period should be recovered before a performance fee becomes payable. A performance fee could also be payable in case the Sub-Fund has overperformed the Benchmark but had a negative performance. Any underperformance of the Sub-Fund compared to the Benchmark is clawed back before any performance fee becomes payable. To this purpose, the length of the Performance reference period, is set equal to 5 years.

*Benchmark replacement*

Current benchmarks: S&P 500 Net Total Return Index

New benchmark: MSCI USA Net Return Index

*Disclosures in relation to the benchmark used for the calculation of the performance fee (deleted wording strikethrough and insertions underlined)*

~~S&P 500 Net Total Return Index is being provided by S&P Dow Jones Indices LLC, in its capacity as administrator, as defined in the Benchmarks Regulation, of the relevant benchmark (the "Benchmark Administrator"). As of the date of this visa-stamped Prospectus, the Benchmark Administrator is listed in the register referred to in article 36 of the Benchmarks Regulation as an administrator located outside the European Union which provide benchmarks that are endorsed in accordance with the procedure laid down in Article 33 of the Benchmark Regulation.~~

MSCI USA Net Return Index is being provided by MSCI Limited, in its capacity as administrator, as defined in the Benchmarks Regulation, of the relevant benchmark (the "Benchmark Administrator"). As of the date of this visa-stamped Prospectus, as a UK benchmark administrator, the Benchmark Administrator is listed in the FCA register for benchmark administrators, but is no longer listed in the ESMA register for benchmark administrators referred to in article 36 of the Benchmarks Regulation, following the expiration of the Brexit transition period on 31 December 2020. However the ESMA notice dated 9 March 2021 (ESMA80-187-881) allows the use of such third country benchmarks even if they are not included in the ESMA register during a transitional period running until 31 December 2023.

#### **E. Digital Funds Stars Eurozone**

*Calculation method of the performance fee (deleted wording strikethrough and insertions underlined)*

~~For purposes of applying the performance fee rate, the Management Company begins each twelve months period with zero gains. If there is an under performance at the end of the twelve months period, it will not be carried forward in the following twelve months period; under performance means that the net asset value increase or decrease is less than the increase or more than the decrease respectively of the Performance Index.~~

For purposes of applying the performance fee rate, a performance fee should only be payable in circumstances where positive overperformance has been accrued during the performance reference period (the "Performance reference period"). Any underperformance previously incurred during the Performance reference period should be recovered before a performance fee becomes payable. A performance fee could also be payable in case the Sub-Fund has overperformed the Benchmark but had a negative performance. Any underperformance of the Sub-Fund compared to the Benchmark is clawed back before any performance fee becomes payable. To this purpose, the length of the Performance reference period, is set equal to 5 years.

*Disclosures in relation to the benchmark used for the calculation of the performance fee (deleted wording strikethrough and insertions underlined)*

~~MSCI EMU Net Return Index is being provided by MSCI Limited, in its capacity as administrator, as defined in the Benchmarks Regulation, of the relevant benchmark (the "Benchmark Administrator"). As of the date of this visa-stamped Prospectus, the Benchmark Administrator is listed in the register referred to in article 36 of the Benchmarks Regulation as an administrator authorised pursuant to article 34 of the Benchmarks Regulation.~~

MSCI EMU Net Return Index is being provided by MSCI Limited, in its capacity as administrator, as defined in the Benchmarks Regulation, of the relevant benchmark (the "Benchmark Administrator"). As of the date of this visa-stamped Prospectus, as a UK benchmark administrator, the Benchmark Administrator is listed in the FCA register for benchmark administrators, but is no longer listed in the ESMA register for benchmark administrators referred to in article 36 of the Benchmarks Regulation, following the expiration of the Brexit transition period on 31 December 2020. However the ESMA notice dated 9 March 2021 (ESMA80-187-881) allows the use of such third country benchmarks even if they are not included in the ESMA register during a transitional period running until 31 December 2023.

## F. Digital Funds Market Neutral Europe

*Calculation method of the performance fee (deleted wording strikethrough and insertions underlined)*

~~For purposes of applying the performance fee rate, the Management Company begins each twelve-months period with zero gain. If there is a negative performance in net assets at the end of the twelve-month period, it will be carried forward in the following twelve-months period : High Watermark principle ("HWM"). The HR will be reset at the beginning of each new calculation period.~~

For purposes of applying the performance fee rate, the Management Company begins each reference period with zero gain. If there is a negative performance in net assets at the end of the reference period, it will be carried forward in the following reference period : High Watermark principle ("HWM").

Any underperformance of the Sub-Fund compared to the HWM is clawed back before any performance fee becomes payable. To this purpose, the length of the HWM reference period is set equal to 5 years.

*Disclosures in relation to the benchmark used for the calculation of the performance fee (deleted wording strikethrough and insertions underlined)*

~~The €STR is being provided by the European Central Bank, in its capacity as administrator, as defined in the Benchmarks Regulation, of the relevant benchmark (the "**Benchmark Administrator**"). As of the date of this visa-stamped Prospectus, the Benchmark Administrator is listed in the register referred to in article 36 of the Benchmarks Regulation as an administrator authorised pursuant to article 34 of the Benchmarks Regulation.~~

The €STR is being provided by the European Central Bank, in its capacity as administrator, as defined in the Benchmarks Regulation, of the relevant benchmark (the "**Benchmark Administrator**"). Due to its Central Bank status, the Benchmark Administrator does not fall within the scope of the Benchmarks Regulation (as stated in its Article 2 paragraph 2) and is therefore not listed in the register referred to in article 36 of the Benchmarks Regulation as an administrator authorised pursuant to article 34 of the Benchmarks Regulation.

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These changes are effective as of 1 October 2021 and will be reflected in an amended prospectus of the Fund which will be dated October 2021 which will be available from the registered office of the Fund.

The amended prospectus of the Fund dated October 2021 and relevant Key Investor Information Documents implementing the above-mentioned changes as well as a few other clerical modifications will be available at the registered office of the Fund and may be sent to you, free of charge, upon request.

Applicable prospectus and KIIDs are also available on the following website: <http://www.chahinecapital.com>

The board of directors of the Fund is of the view that the above changes will not materially prejudice any of your rights or interests. The costs and expenses incurred in connection with effecting the changes described herein will be borne by the Fund.

If you wish to continue to invest in the Fund, you do not need to take any further action.

If you have any questions or would like any further information please contact us at our registered office.

Yours faithfully,

For the board of directors of the Fund