



Monthly Report

At 31 May 2022



FRENCH LAW REAL ESTATE UCITS

1. FUND OBJECTIVE

The FCP's objective is to implement discretionary management to outperform, via exposure to European Union real estate shares and and by reconciling financial and extra-financial performance, the FTSE EPRA / NAREIT Euro Zone Capped benchmark. Net dividends re-invested after deduction of management fees over the duration of the recommended investment (over 5 years).

2. MANAGEMENT NOTE

Pavlov is not the supreme guide

After outperforming the general market indices in the first four months of the year, real estate companies fell back sharply in May, due to the forthcoming tightening of the European Central Bank's monetary policy, the timing of which is still unclear.

The rise in interest rates has had a moderate impact on the balance sheets of listed real estate companies, which is the major difference with the situation during the 2008 crash: the average level of debt is now 35% for the European market (source: Kempen) versus over 50% back then, and the robust investment market makes it easy to lower this leverage. In addition, the average cost of debt (1.7%) and its duration have been optimised. In terms of asset valuation, while the rise in risk-free rates has a negative mechanical impact on the value of real assets, the effect on the latter is mitigated by the steepening rent curve, made possible by indexation to the evolution of inflation, and by a reduction in the risk premium on Prime assets (all market segments combined), which remains substantial nonetheless (another major difference compared to 2008).

Furthermore, in the event of a sustained rise in long-term interest rates, real estate companies with a sustainable dividend capacity would be moderately affected by a possible arbitrage from equities to bonds due to the high underlying dividend yield they provide.

In this respect, the Sofidy Selection 1 portfolio provides an underlying synthetic yield of 3.81% at current prices.

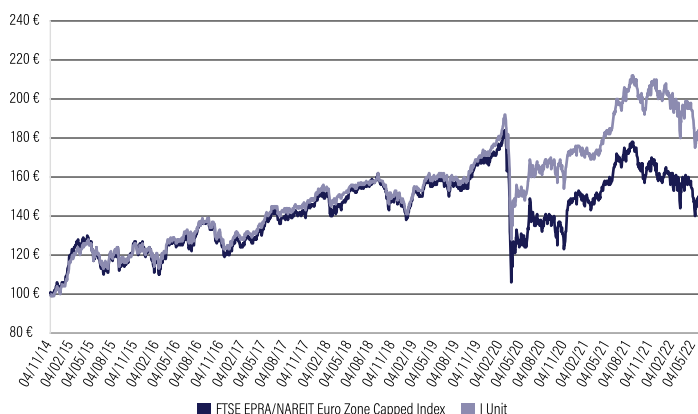
Finally, it is important to always remember that the rise in rates is not a lone star. Inflation and economic activity move in tandem with it. And there is no doubt that rising prices (where real estate is a relatively effective short-term buffer) and the consequent economic slowdown provide a comparative advantage to our market segment.

At current prices, the average discount observed in the office, housing and retail segments is more than 30%, which is driving an increase in the number of buyouts by the relevant stock market players. The most recent public takeover of shopping centre operator Deutsche Euroshop (2.3% of your fund's portfolio) resulted in a 44% premium on the ex-ante share price, while ensuring a 34% discount on the value of the assets held by its initiators.

Laurent Saint Aubin - Written 10/06/22

3. PERFORMANCE OF THE FUND*

At 31 May 2022 | base 100 at 4 November 2014



*Past performance is no guarantee of future performance, and performance is not consistent over time.



Laurent Saint Aubin
Manager of Sofidy
Sélection 1

MAIN CHARACTERISTICS

Management company	SOFIDY SAS	
Manager	Laurent Saint Aubin	
Creation date	November 2014	
Legal nature	FCP	
ISIN code	P Share	FR0011694256
	C Share	FR0013349297
	I Share	FR0011694264
	GI Share	FR0013349289
Asset sub-class	Thematic	
Reference index	FTSE EPRA/NAREIT Euro Zone Capped	
Investment horizon	> 5 years	
Risk scale	<div style="display: flex; justify-content: space-between; align-items: center;"> Parts P, I, C et GI <div style="display: flex; gap: 5px;"> 1 2 3 4 5 6 7 </div> </div>	

Life insurance eligible	Yes
PEA (Equity Savings Plan) eligible	No

PERFORMANCE ANALYSIS*

Over 12 rolling months	Index	I Unit	P Unit	GI Unit	C Unit
Performance	-10.5%	-4.6%	-5.5%	-4.3%	-4.8%
Volatility	20.1%	17.7%	17.6%	17.7%	17.7%
Sharpe ratio	-	-0.23	-0.28	-0.21	-0.24
Tracking error (relative risk)	-	4.8%	4.8%	4.8%	4.8%
Alpha	-	4.5%	3.5%	4.8%	4.3%
Beta	-	0.86	0.86	0.86	0.86

*Past performance is no guarantee of future performance

WARNING - RISK: since the FCP invests in a sector, it is also subject to sector-based risks. The details of these risks are described in the key investor information document and the fund prospectus

4. PERFORMANCE HISTORY

	Since start ⁽¹⁾	2017	2018	2019	2020	2021	Jan. 22	Feb. 22	Mar. 22	Apr. 22	May 22	June 22	July 22	Aug. 22	Sept. 22	Oct. 22	Nov. 22	Dec. 22	2022 YTD	
P Unit	+69.7%	+16.3%	-8.8%	+22.7%	0.0%	+15.0%	-2.4%	-2.2%	-0.7%	-2.8%	-4.2%									-11.8%
Index	+47.5%	+17.6%	-7.5%	+22.2%	-10.9%	+6.4%	-0.1%	-1.6%	-0.5%	-5.1%	-2.0%									-9.0%
VL (€)	100.00	149.53	136.43	167.41	167.40	192.45	187.77	183.64	182.29	177.13	169.71									169.71
I Unit	+83.1%	+17.5%	-7.8%	+23.8%	+0.1%	+17.6%	-2.3%	-2.1%	-0.6%	-2.7%	-4.1%									-11.4%
Index	+47.5%	+17.6%	-7.5%	+22.2%	-10.9%	+6.4%	-0.1%	-1.6%	-0.5%	-5.1%	-2.0%									-9.0%
VL (€)	1,000.00	1,537.78	1,418.60	1,755.60	1,757.30	2,066.61	2,018.24	1,975.55	1,962.76	1,908.93	1,830.77									1,830.77
GI Unit	+16.8%	n.a.	-9.9%	+24.1%	0.0%	+17.9%	-2.3%	-2.1%	-0.6%	-2.7%	-4.1%									-11.3%
Index	-6.4%	n.a.	-11.2%	+22.2%	-10.9%	+6.4%	-0.1%	-1.6%	-0.5%	-5.1%	-2.0%									-9.0%
VL (€)	10,000.00		9,006.08	11,172.77	11,172.77	13,170.38	12,865.91	12,597.16	12,519.35	12,179.40	11,684.31									11,684.31
C Unit	+15.9%	n.a.	-9.7%	+23.6%	0.0%	+17.3%	-2.4%	-2.1%	-0.7%	-2.8%	-4.1%									-11.5%
Index	-5.6%	n.a.	-10.5%	+22.2%	-10.9%	+6.4%	-0.1%	-1.6%	-0.5%	-5.1%	-2.0%									-9.0%
VL (€)	100.00		90.32	111.60	111.59	130.95	127.86	125.14	124.31	120.88	115.91									115.91

(1) Since 04/11/2014.

(2) Since 26/07/2018.

(3) Since 19/07/2018.

MAIN LINES OF PORTFOLIO AT 31 MAY 2022

	Fund	Index
Unibail Rodamco	8.85%	8.48%
Vonovia	6.59%	8.38%
Merlin Properties	6.44%	4.41%
Klepierre	6.31%	3.98%
Covivio	5.49%	4.21%
Aroundtown	4.50%	6.06%
LEG Immobilien	4.21%	8.38%
SEGRO	4.09%	0.00%
Gecina	3.82%	6.51%
WDP	3.81%	4.26%

FEES AND COMMISSIONS

(Base 100 at 4 November 2014)

Management fee incl. tax	P Share	2.20%
	C Share	1.30%
	I Share	1.10%
	GI Share	0.75%
Maximum entry fee incl. tax*	P Share	Up to 4%
	C Share	Up to 4%
	I Share	Up to 3%
	GI Share	Up to 1%
Outperformance commission**		20%
Initial subscription	P Share	1 share
	C Share	1 share
	I Share	100 shares
	GI Share	100 shares

* No entry fee is received by the management company

** 20% incl. tax of the fund's outperformance, net of fees in relation to its reference index and in respect of the high water mark principle from 1 December 2020 onwards.

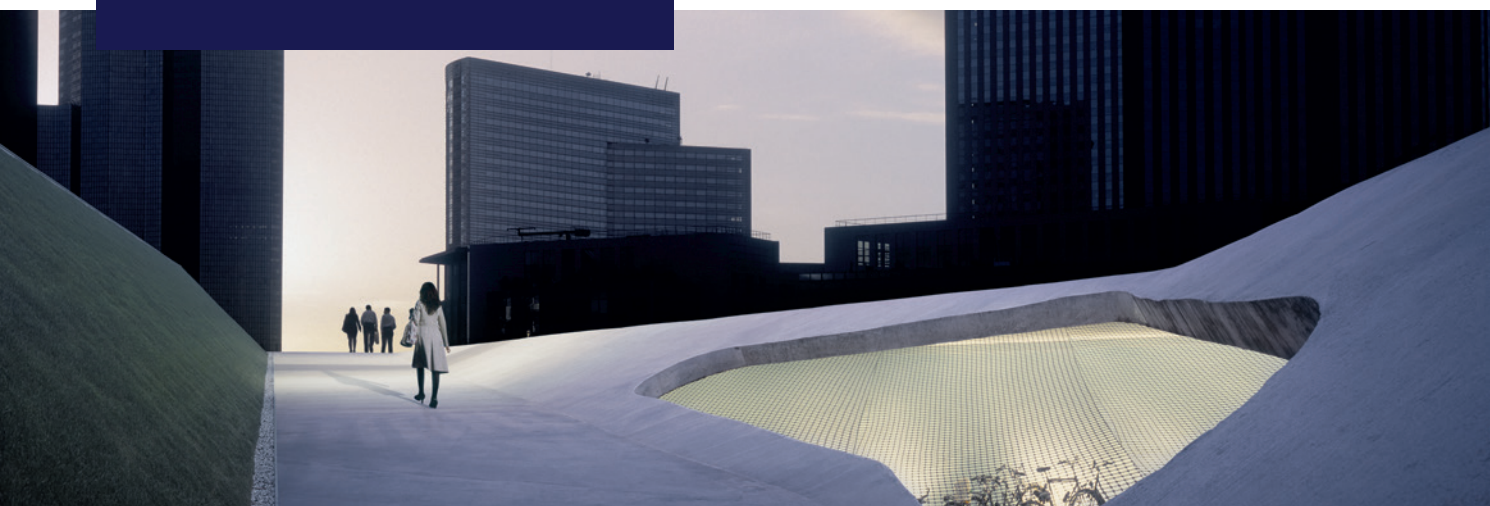
5. UCITS DATA AT 31 MAY 2022

	I Share	P Share	GI Share	C Share
Number of shares	8,177.9	427,065.4	5,886.0	45,539.7
Liquidating value (€)	1,830.77	169.71	11,684.31	115.91
Net assets (€)	161,506,341			

6. EXPOSURE OF THE PORTFOLIO AT 31 MAY 2022

Currencies (including cash)	Sectors ⁽¹⁾	Geographic location ⁽¹⁾
Euros	83%	Housing 27% Germany 24%
Pound sterling	7%	Retail 28% France 19%
US dollar	6%	Offices 18% Spain 13%
Swedish krona	1%	Logistics 16% United States 9%
Other	3%	Other 11% Other 35%

(1) Distributions determined by the fund manager, breaking down the activity of the companies in the portfolio between the various sectors/geographical locations



ESG valuations of the issuers of the portfolio below are from our internal research using our proprietary analysis framework:

WEIGHTED AVERAGE ESG⁽¹⁾ RATINGS FOR SOFIDY SELECTION 1 FCP

Governance	23%
Social	54%
Environment	44%
ESG risk profile	38%



5 POSITIONS WITH THE BEST ESG RATING⁽¹⁾

	Governance	Social / Societal	Environment	ESG rating
Gecina	11%	9%	10%	10%
Merlin	9%	27%	2%	10%
SBB	11%	19%	10%	12%
Covivio	14%	5%	29%	18%
Big Yellow	9%	86%	5%	23%

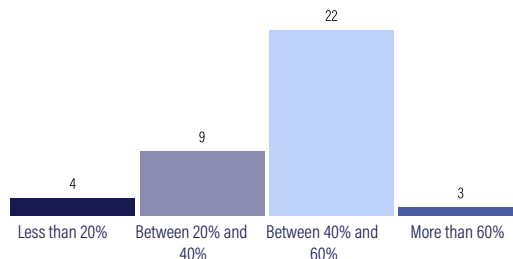
5 POSITIONS WITH THE WORST ESG RATING⁽¹⁾

	Governance	Social / Societal	Environment	ESG rating
Corestate	59%	100%	80%	76%
Demire	50%	73%	100%	75%
Deutsche Euroshop	82%	71%	62%	72%
Inclusio	41%	48%	86%	60%
European Residential REIT	30%	62%	86%	59%

(1) The ESG rating determines the non-financial profile of companies (in terms of risks and opportunities). Shares whose current or anticipated ESG rating is above 80% are excluded from the investment scope (the lower the ESG rating, the better).

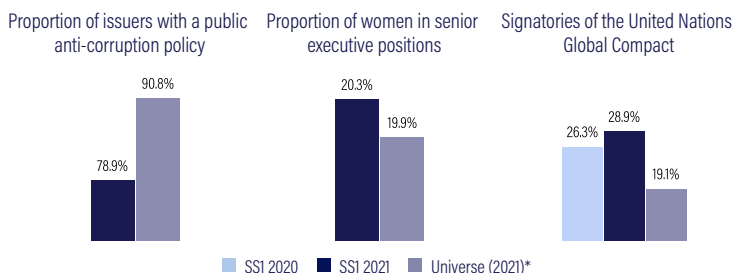
Reporting ESG

DISTRIBUTION OF ESG RATINGS⁽¹⁾ OF ISSUERS IN PORTFOLIO

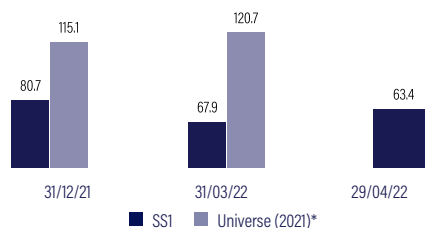


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IMPACT & CARBON FOOTPRINT MEASUREMENTS



The Weighted Average Carbon Intensity (scope 1 and 2, in tons CO2e/€M sales)



Sources used: Sustainalytics, UN Global Compact database, annual reports and companies' websites.
*Thematic universe updated quarterly and made up of 1,774 shares at 31/03/2022. The coverage rate of the scope is 96.6% for signatories of the United Nations Global Compact, 77.7% for the proportion of women in senior executive positions and 72% for proportions of issuers with a public anti-corruption policy.

For more detailed information on our ESG assessment methodology, please refer to the SRI Transparency Code of the SOFIDY Sélection 1 fund.

Why not take risks, but knowing them well is better!

Non-contractual document. Past performance is no guarantee of the future performance of the OPCVM (real estate UCITS). Performances are not constant over time. As with any real estate UCITS, this fund is mainly exposed to the risk associated with equities markets, loss of capital, discretionary management, exchange rates and liquidity. Since the FCP invests in a sector, it is also subject to sector-based risks. The details of these risks are described in the key investor information document and the fund prospectus. This document is produced by SOFIDY for information purposes only. It in no way constitutes an offer to sell or a solicitation of a purchase, investment or arbitrage. SOFIDY believes the data and figures to be accurate and reliable as of 31/05/2022. SOFIDY shall not be liable for any decisions made on the basis of this information. SOFIDY reserves the right to modify the information presented in this document at any time, without notice. The characteristics, risk and return profile, and fees regarding investment in the SOFIDY Sélection 1 OPCVM are described in the key investor information document. The key investor information document, the prospectus and the periodic documents will be available on request from SOFIDY. You must make yourself familiar with the key investor information document, which should be given to you before you subscribe. Written in June 2022. SOFIDY SAS - Real estate funds management company since 1987 - 303, square des Champs Élysées - Évry Courcouronnes - 91026 ÉVRY Cedex Portfolio management company certified by the AMF on 10 July 2007 under the number GP07000042 - Tel.: +33(0)1 69 87 02 00 - Fax: +33(0)1 69 87 02 01 - www.sofidy.com



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