



Monthly Report

At 29 July 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

A STRONG RECOVERY

Last month, we stated that listed real estate companies were being oversold. We believed that the situation would improve in relative terms compared to other sectors in the equity market thanks to the start of first-half result publications, and in absolute terms once the market became convinced that core inflation would soften. This indeed happened last month, with a 10.2% recovery of the real estate asset index, higher than that of general market indices (STOXX 600: +7.8%). It is worth noting that your Fund (P unit) rose +10.4% despite holding a significant cash item (8.7% at 31 July).*

Overall, real estate company earnings met expectations in terms of both rental growth and asset value resistance, particularly regarding the office and retail segments in Western Europe. The only exception involved our underweighted German residential sector (12.6% of the Fund compared to 26.4% for the benchmark index), which is hit by excessive debt levels, a future contraction in operating margins and reduced valuations.

Over the coming months, against the backdrop of severe economic slowdown in Europe, we remain convinced that corporate margins will decrease and that analysts' estimates remain too high. In this environment, it is important to prioritise defensive shares offering high dividend yields, which are characteristic of listed real estate.

What did we achieve last month?

We continued to boost our business in health (Aedifica) and convenience store real estate companies (Mercialys, Hamborner, Retail Estate). We carried out arbitrages across the residential segment (Kojamo and TAG Immobilien bought, LEG Immobilien sold) and logistics (WDP bought, VGP sold), all while maintaining our underexposure. We have reduced our overexposure to Merlin Properties, the diversified Spanish real estate company.

Change in the Fund's ESG profile:

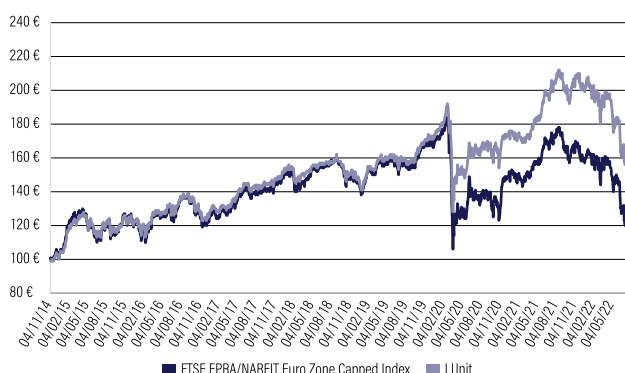
The Fund's ESG risk profile improved last month, at 37% versus 39% the previous month, driven by the significant increase in the Governance sector (21% vs. 24%) due to the withdrawal of the Deutsche Euroshop line from the portfolio.

*Past performance is no guarantee of future performance

Laurent Saint Aubin - Written 17/08/2022

3. PERFORMANCE OF THE FUND*

At 29 July 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	<table border="1"> <tr> <td></td> <td>1</td> <td>2</td> <td>3</td> <td>4</td> <td>5</td> <td>6</td> <td>7</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td style="background-color: #f4a460;"></td> <td></td> <td></td> </tr> </table>			1	2	3	4	5	6	7								
	1	2	3	4	5	6	7											
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	-21.0%	-14.4%	-15.2%	-14.2%	-14.6%
Volatility	22.9%	19.8%	19.8%	19.8%	19.8%
Sharpe ratio	-	-0.70	-0.74	-0.69	-0.71
Tracking error (relative risk)	-	5.4%	5.5%	5.4%	5.4%
Alpha	-	3.5%	2.6%	3.7%	3.2%
Beta	-	0.85	0.84	0.84	0.85

*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	+61.9 %	+16.3%	-8.8%	+22.7%	0.0%	+15.0%	-2.4%	-2.2%	-0.7%	-2.8%	-4.2%	-13.6 %	+10.4 %							-15.9 %
Index	+36.0 %	+17.6%	-7.5%	+22.2%	-10.9%	+6.4%	-0.1%	-1.6%	-0.5%	-5.1%	-2.0%	-16.3 %	+10.2 %							-16.1 %
VL (€)	100.00	149.53	136.43	167.41	167.40	192.45	187.77	183.64	182.29	177.13	169.71	146.66	161.88							161.88
I Unit	+74.9 %	+17.5%	-7.8%	+23.8%	+0.1%	+17.6%	-2.3%	-2.1%	-0.6%	-2.7%	-4.1%	-13.5 %	+10.5 %							-15.4 %
Index	+36.0 %	+17.6%	-7.5%	+22.2%	-10.9%	+6.4%	-0.1%	-1.6%	-0.5%	-5.1%	-2.0%	-16.3 %	+10.2 %							-16.1 %
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	1,583.47	1,749.34							1,749.34
GI Unit	+11.7 %	n.a.	-9.9%	+24.1%	0.0%	+17.9%	-2.3%	-2.1%	-0.6%	-2.7%	-4.1%	-13.5 %	+10.5 %							-15.2 %
Index	-13.7 %	n.a.	-11.2%	+22.2%	-10.9%	+6.4%	-0.1%	-1.6%	-0.5%	-5.1%	-2.0%	-16.3 %	+10.2 %							-16.1 %
VL (€)	10 000,00	9,006,08	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	10,108.92	11,170.92							11,170.92
C Unit	+10.7 %	n.a.	-9.7%	+23.6%	0.0%	+17.3%	-2.4%	-2.1%	-0.7%	-2.8%	-4.1%	-13.5 %	+10.5 %							-15.4 %
Index	-12.9 %	n.a.	-10.5%	+22.2%	-10.9%	+6.4%	-0.1%	-1.6%	-0.5%	-5.1%	-2.0%	-16.3 %	+10.2 %							-16.1 %
VL (€)	100.00	90.32	111.60	111.59	111.59	130.95	127.86	125.14	124.31	120.88	115.91	100.24	110.72							110.72

(1) Since 04/11/2014.

(2) Since 26/07/2018.

(3) Since 19/07/2018.

MAIN LINES OF PORTFOLIO AT 29 JULY 2022

	Fund	Index
Unibail Rodamco	8.33 %	7.58 %
Klepierre	6.79 %	4.47 %
Vonovia	6.44 %	10.40 %
Gecina	4.76 %	6.89 %
WDP	4.39 %	6.30 %
Merlin Properties	4.35 %	4.39 %
Covivio	4.34 %	4.12 %
Aedifica	4.06 %	4.71 %
SEGRO	4.05 %	0.00 %
Mericalys	3.53 %	0.72 %

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.

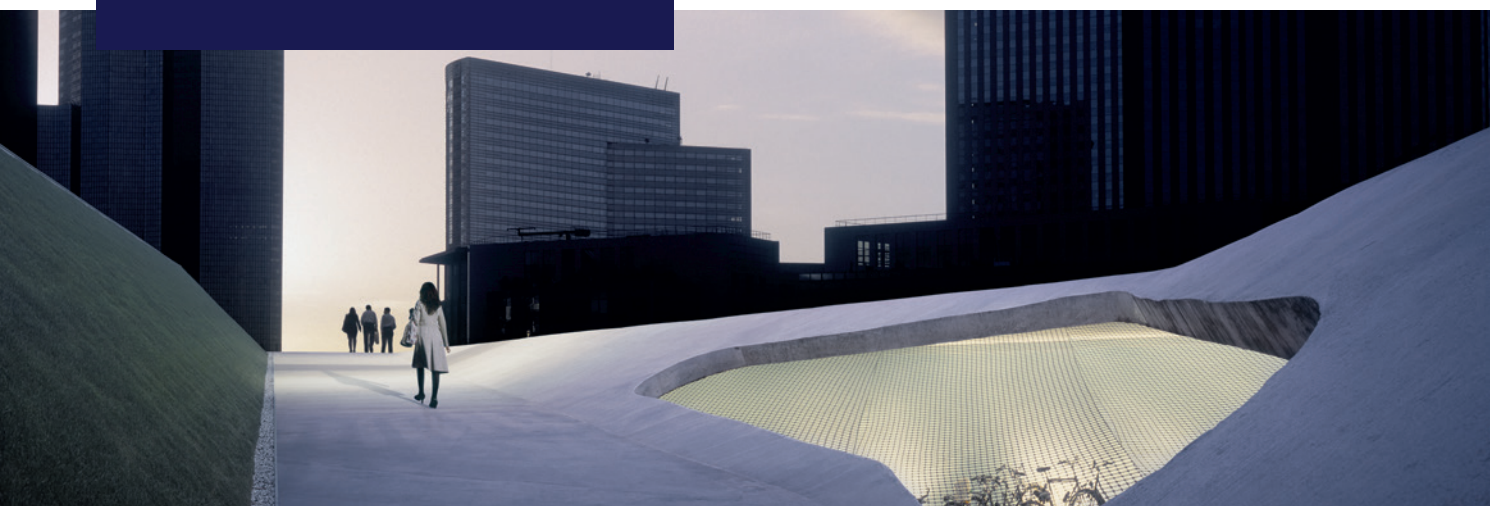
5. UCITS DATA AT 29 JULY 2022

	I Share	P Share	GI Share	C Share
Number of shares	8,357.0	433,531.7	6,062.0	35,018.2
Liquidating value (€)	1,749.34	161.88	11,170.92	110.72
Net assets (€)	156,395,686			

6. EXPOSURE OF THE PORTFOLIO AT 29 JULY 2022

Currencies (including cash)	Sectors ⁽¹⁾	Geographic location ⁽¹⁾
Euros	Retail 28 %	Germany 20 %
Pound sterling	Housing 29 %	France 21 %
US dollar	Offices 15 %	Spain 11 %
Swedish krona	Logistics 15 %	United Kingdom 10 %
Other	Other 13 %	Other 38 %

(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	21%
Social	54%
Environment	44%
ESG risk profile	37%



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%

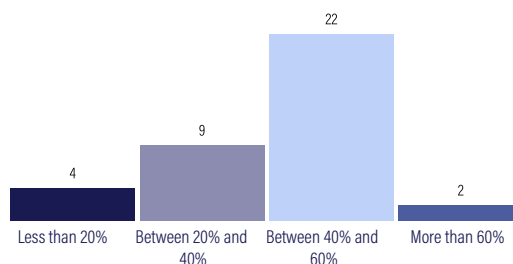
5 POSITIONS WITH THE WORST ESG RATING⁽¹⁾

	Governance	Social / Societal	Environment	ESG rating
Corestate	59%	100%	80%	76%
Demire	50%	73%	100%	75%
TAG	59%	24%	68%	56%
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).

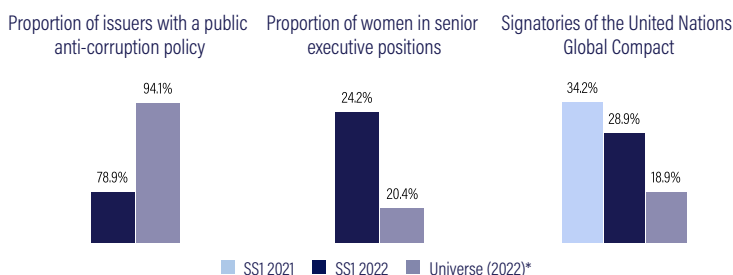
Reporting ESG

DISTRIBUTION OF ESG RATINGS⁽¹⁾ OF ISSUERS IN PORTFOLIO

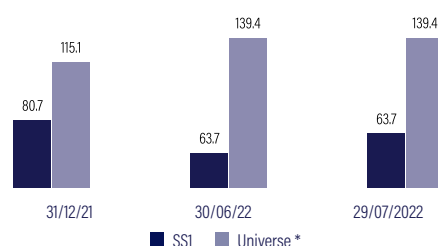


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IMPACT & CARBON FOOTPRINT MEASUREMENTS



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 1,775 shares at 30/06/2022. The coverage rate of the scope is 96.5% for signatories of the United Nations Global Compact, 72.0% for the proportion of women in senior executive positions and 83% 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 29/07/2022. 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 August 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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