



Monthly Report

At 30 December 2022

References to ranking, price and/or rating are not guarantee of future performance of the fund.



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 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 period (over 5 years).

2. MANAGEMENT NOTE

2023 ANNUS MIRABILIS?

Listed real estate underperformed significantly in 2022 with a decline of 32.59% (EPRA eurozone index net dividends reinvested) compared to a 10.6% decline in the Eurostoxx 600. Your Fund (P share) ended the period down 30.62%. This underperformance was attributable to the surge in interest rates, while the extensive protection of rents against inflation had no impact. A continued slowdown in inflation and economic recession seem to us the most plausible scenario for 2023, which would favour an easing of long-term rates and a continuation of the rebound in listed real estate companies that began in mid-October.

It should be noted that the sector's inverse correlation with interest rates was almost absolute in 2022 (-0.94 between the EPRA index and the 5-year swap vs -0.62 over a five-year period). A continuation of this trend will be beneficial for the sector in 2023 given its low valuation (34% discount on NAV 2022e, 5.3% implicit yield on assets, Kempen data).

Our investment strategy is based on selective reweighting of the residential segment (even higher correlation with interest rates, financing markets open to these traditionally more indebted operators, more resilient sector in the event of a recession), a focus on companies able to impose long-term rent increases (urban logistics, storage for private individuals, student residences, retail trade) and close attention to balance sheet quality (favouring companies with a strong capacity for maintaining their Investment Grade financial ratings).

The Fund's ESG rating went from 37% to 34% between November and December: this is mainly due to the improvement in the social rating, which moved from 54% to 47% over the two months. The annual update of the internal ESG analysis grids made it possible to improve the social rating of certain securities, including:

- Arima, whose rating went from 41% to 27%
- Xior, from 52% to 24%
- LEG, from 38% to 5%
- Unibail, from 100% to 91%.

These stocks' ratings improved as a result of their enhanced social policy involving increased investment in employee training and an improved diversity policy in management positions.

Laurent Saint Aubin and Serge Demirdjian - Written 12/01/2023

Laurent Saint Aubin
Fund 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="text-align: right; font-size: small;">Shares P, I, C and GI</div> <table style="width: 100%; text-align: center;"> <tr> <td style="width: 12.5%;"></td> <td style="width: 12.5%;">1</td> <td style="width: 12.5%;">2</td> <td style="width: 12.5%;">3</td> <td style="width: 12.5%; background-color: #f4a460;">4</td> <td style="width: 12.5%;">5</td> <td style="width: 12.5%;">6</td> <td style="width: 12.5%;">7</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*

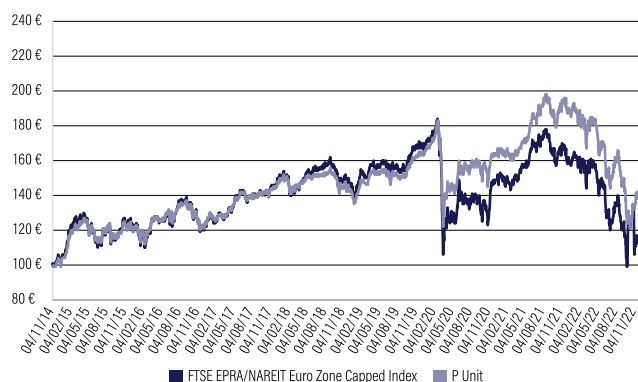
Over 12 rolling months	Index	I Unit	P Unit	GI Unit	C Unit
Performance	-32.6 %	-29.8 %	-30.6 %	-29.6 %	-30.0 %
Volatility	28.9 %	24.1 %	24.1 %	24.1 %	24.1 %
Sharpe ratio	-	-1.24	-1.27	-1.23	-1.25
Tracking error (relative risk)	-	7.1 %	7.1 %	7.1 %	7.1 %
Alpha	-	-3.2 %	-4.0 %	-3.0 %	-3.4 %
Beta	-	0.82	0.82	0.82	0.82

*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

3. PERFORMANCE OF THE FUND*

At 30 December 2022 | base 100 at 4 November 2014



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

4. PERFORMANCE HISTORY⁽⁴⁾

	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	+33.5 %	+16.3%	-8.8%	+22.7%	0.0%	+15.0%	-2.4%	-2.2%	-0.7%	-2.8%	-4.2%	-13.6%	+10.4%	-7.9%	-13.5%	+3.9%	+0.9%	-1.3%	-30.6%
Index	+9.2 %	+17.6%	-7.5%	+22.2%	-10.9%	+6.4%	-0.1%	-1.6%	-0.5%	-5.1%	-2.0%	-16.3%	+10.2%	-9.1%	-14.9%	+2.9%	+1.9%	-0.9%	-32.6%
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	149.12	129.01	134.04	135.24	133.53	133.53
I Unit	+45.0 %	+17.5%	-7.8%	+23.8%	+0.1%	+17.6%	-2.3%	-2.1%	-0.6%	-2.7%	-4.1%	-13.5%	+10.5%	-7.8%	-13.4%	+4.0%	+1.0%	-1.2%	-29.8%
Index	+9.2 %	+17.6%	-7.5%	+22.2%	-10.9%	+6.4%	-0.1%	-1.6%	-0.5%	-5.1%	-2.0%	-16.3%	+10.2%	-9.1%	-14.9%	+2.9%	+1.9%	-0.9%	-32.6%
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	1,613.09	1,396.83	1,452.64	1,466.96	1,449.74	1,449.74
GI Unit	-7.3 %	n.a.	-9.9%	+24.1%	0.0%	+17.9%	-2.3%	-2.1%	-0.6%	-2.7%	-4.1%	-13.5%	+10.5%	-7.8%	-13.4%	+4.0%	+1.0%	-1.1%	-29.6%
Index	-30.6 %	n.a.	-11.2%	+22.2%	-10.9%	+6.4%	-0.1%	-1.6%	-0.5%	-5.1%	-2.0%	-16.3%	+10.2%	-9.1%	-14.9%	+2.9%	+1.9%	-0.9%	-32.6%
VL (€)	10,000.00	9,006.08	11,727.77	11,727.77	13,170.38	12,865.91	12,597.16	12,519.35	12,179.40	11,684.31	10,108.92	11,170.92	10,304.13	8,925.25	9,284.60	9,378.86	9,271.40	9,271.40	9,271.40
C Unit	-7.3 %	n.a.	-9.7%	+23.6%	0.0%	+17.3%	-2.4%	-2.1%	-0.7%	-2.8%	-4.1%	-13.5%	+10.5%	-7.8%	-13.4%	+4.0%	+1.0%	-1.2%	-30.0%
Index	-30.6 %	n.a.	-10.5%	+22.2%	-10.9%	+6.4%	-0.1%	-1.6%	-0.5%	-5.1%	-2.0%	-16.3%	+10.2%	-9.1%	-14.9%	+2.9%	+1.9%	-0.9%	-32.6%
VL (€)	100.00	90.32	111.60	111.59	130.95	127.86	125.14	124.31	120.88	115.91	100.24	110.72	102.08	88.38	91.89	92.78	91.68	91.68	91.68

(1) Since 04/11/2014.

(2) Since 26/07/2018.

(3) Since 19/07/2018.

(4) Past performance is no guarantee of future performance, and performance is not consistent over time.

MAIN LINES OF PORTFOLIO AT 30 DECEMBER 2022

	Fund	Index
UNIBAIL-RODAMCO-WESTFIELD	9.03 %	8.61 %
LEG IMMOBILIEN AG	7.11 %	6.97 %
KLEPIERRE	6.10 %	5.96 %
GECINA NOMINATIVE	5.43 %	8.15 %
VONOVIA SE	5.30 %	9.73 %
MERLIN PROPERTIES SOCIMI SA	4.83 %	4.01 %
WAREHOUSES DE PAUW SCA	4.68 %	4.12 %
COVIVIO SA	3.81 %	4.03 %
AEDIFICA SA	3.78 %	4.03 %
XIOR STUDENT HOUSING NV	3.48 %	1.43 %

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 30 DECEMBER 2022

	I Share	P Share	GI Share	C Share
Number of shares	11,382.2	488,887.6	6,700.5	16,581.1
Liquidating value (€)	1,449.74	133.53	9,271.40	91.68
Net assets (€)	145,428,360			

6. EXPOSURE OF THE PORTFOLIO AT 30 DECEMBER 2022

Currencies (including cash)	Sectors ⁽¹⁾	Geographic location ⁽¹⁾
Euros	Housing 87 %	France 21 %
Pound sterling	Retail 8 %	Germany 22 %
US dollar	Offices 4 %	Spain 12 %
Norwegian krone	Logistics 1 %	United Kingdom 9 %
Other	Other 0 %	Other 36 %

(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	47 %
Environment	41 %
ESG risk profile	34 %



5 POSITIONS WITH THE BEST ESG RATING⁽¹⁾

	Governance	Social / Societal	Environment	ESG rating
Gecina	11 %	9 %	10 %	10 %
Merlin	9 %	27 %	2 %	10 %
The Unite Group	27 %	62 %	0 %	23 %
Covivio	14 %	5 %	29 %	18 %
Deutsche Wohnen	22 %	0 %	12 %	12 %

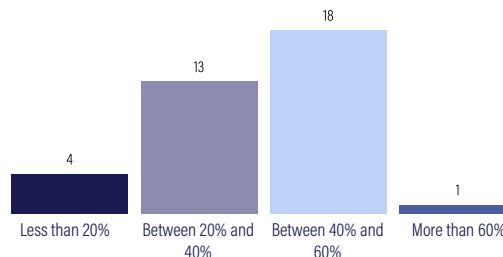
5 POSITIONS WITH THE WORST ESG RATING⁽¹⁾

	Governance	Social / Societal	Environment	ESG rating
Corestate	59 %	100 %	80 %	76 %
Americold	25 %	100 %	64 %	59 %
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

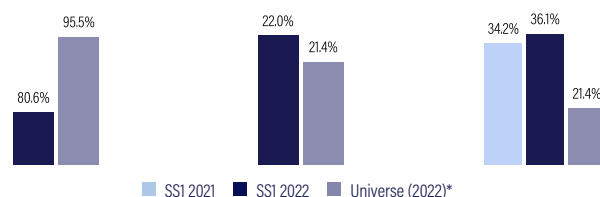
Distribution of esg ratings⁽¹⁾ of issuers in portfolio



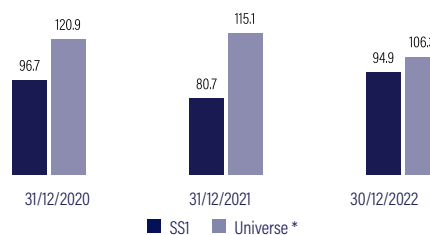
(1) The ESG rating determines the non-financial profile of companies (in terms of risks and opportunities). Shares whose current or anticipated ESG rating is above 80% are excluded from the investment scope (the lower the ESG rating, the better).

Impact & carbon footprint measurements

Proportion of issuers with a public anti-corruption policy Proportion of women in senior executive positions Signatories of the United Nations Global Compact



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 1,432 shares at 30/12/2022. The coverage rate of the scope is 94.8% for signatories of the United Nations Global Compact, 72.7 % for the proportion of women in senior executive positions and 87 % 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 30/12/2022. 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 January 2023. 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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