



Monthly Report

At 31 January 2023

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

Off to a flying start

After a 32.59% decline (EPRA eurozone index net dividends reinvested) in 2022, real estate companies bounced back 10.6% in January, significantly outperforming the equity market (Eurostoxx 600 up 6.7%). The slowdown in inflation and an expected easing of central bank policy explain this trend in a sector still highly sensitive to changes in interest rates. Your Fund (P share) rose 9.7%.*

We expect this recovery to continue throughout the year, even though persisting wage tensions will, in our view, fuel high volatility in terms of interest rate expectations.


Given the market valuation of the sector at the end of 2022 (34% discount on NAV 2022^o, i.e. the lowest level since 2008 5.3% implied yield on assets, Kempen data.), a more realistic forecast of a 10% decline in the value of physical assets by the end of 2023 (versus a mid-2022 baseline, assuming debt stability) leads us to assume a potential rebound of 25% compared to year-end levels.


Results publications will reveal the evolution of rent indexation and lessors' ability to maintain rent levels over the medium term. We will also closely monitor value reductions by segment, their impact on debt and any corrective measures required (potential reduction in dividends, disposals, capital increase).

In the first weeks of the year, we selectively reweighted the residential segment (mostly focusing on LEG and TAG Immobilien) within your Fund, resulting in neutral exposure in relation to its weight in the index. On the other hand, we reduced our exposure to US and UK stocks (our investments in these regions are exclusively focused on alternative business segments with little or no representation in the eurozone).

*Past performance is no guarantee of future performance

Laurent Saint Aubin and Serge Demirdjian - Written 08/02/2023





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="display: flex; justify-content: space-between; align-items: center;"> Shares P, I, C and 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*

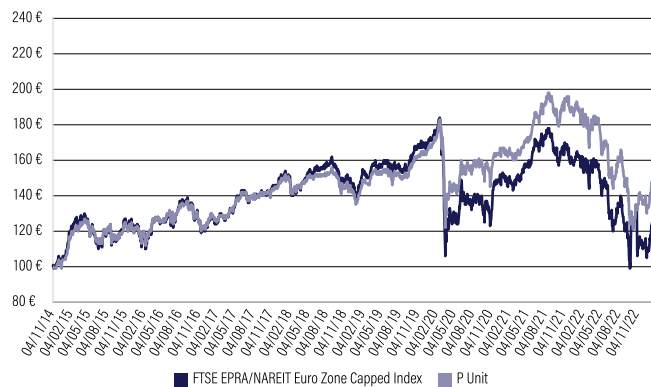
Over 12 rolling months	Index	I Unit	P Unit	GI Unit	C Unit
Performance	-25.3 %	-21.2 %	-22.1 %	-20.9 %	-21.4 %
Volatility	29.5 %	24.5 %	24.5 %	24.5 %	24.5 %
Sharpe ratio	-	-0.87	-0.91	-0.86	-0.88
Tracking error (relative risk)	-	7.1 %	7.1 %	7.1 %	7.1 %
Alpha	-	-0.6 %	-1.4 %	-0.3 %	-0.7 %
Beta	-	0.82	0.82	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 31 January 2023 | 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⁾	2018	2019	2020	2021	2022	Jan. 23	Feb. 23	Mar. 23	Apr. 23	May 23	June 23	July 23	Aug. 23	Sept. 23	Oct. 23	Nov. 23	Dec. 23	2023 YTD		
P Unit	+46.3 %	-8.8%	+22.7%	0.0%	+15.0%	-30.6 %	+9.6 %													+9.6 %	
Index	+20.9 %	-7.5%	+22.2%	-10.9%	+6.4%	-32.6 %	+10.6 %														+10.6 %
VL (€)	100.00	136.43	167.41	167.40	192.45	133.53	146.33														146.33

	Since start ⁽¹⁾	2018	2019	2020	2021	2022	Jan. 23	Feb. 23	Mar. 23	Apr. 23	May 23	June 23	July 23	Aug. 23	Sept. 23	Oct. 23	Nov. 23	Dec. 23	2023 YTD		
I Unit	+59.0 %	-7.8%	+23.8%	+0.1%	+17.6%	-29.8 %	+9.7 %														+9.7 %
Index	+20.9 %	-7.5%	+22.2%	-10.9%	+6.4%	-32.6 %	+10.6 %														+10.6 %
VL (€)	1,000.00	1,418.60	1,755.60	1,757.30	2,066.61	1,449.74	1,590.20														1,590.20

	Since start ⁽²⁾	2018 ⁽²⁾	2019	2020	2021	2022	Jan. 23	Feb. 23	Mar. 23	Apr. 23	May 23	June 23	July 23	Aug. 23	Sept. 23	Oct. 23	Nov. 23	Dec. 23	2023 YTD		
GI Unit	+17 %	-9.9%	+24.1%	0.0%	+17.9%	-29.6 %	+9.7 %														+9.7 %
Index	-23.3 %	-11.2%	+22.2%	-10.9%	+6.4%	-32.6 %	+10.6 %														+10.6 %
VL (€)	10,000.00	9,006.08	11,172.77	11,172.77	13,170.38	9,271.40	10,172.79														10,172.79

	Since start ⁽³⁾	2018 ⁽³⁾	2019	2020	2021	2022	Jan. 23	Feb. 23	Mar. 23	Apr. 23	May 23	June 23	July 23	Aug. 23	Sept. 23	Oct. 23	Nov. 23	Dec. 23	2023 YTD		
C Unit	+0.5 %	-9.7%	+23.6%	0.0%	+17.3%	-30.0 %	+9.7 %														+9.7 %
Index	-22.6 %	-10.5%	+22.2%	-10.9%	+6.4%	-32.6 %	+10.6 %														+10.6 %
VL (€)	100.00	90.32	111.60	111.59	130.95	91.68	100.54														100.54

(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 31 JANUARY 2023

	Fund	Index
UNIBAIL-RODAMCO-WESTFIELD	9.79 %	9.47 %
LEG IMMOBILIEN AG	9.27 %	7.41 %
VONOVIA SE	6.61 %	10.33 %
KLEPIERRE	6.04 %	5.82 %
GECINA NOMINATIVE	5.61 %	8.40 %
WAREHOUSES DE PAUW SCA	4.33 %	4.05 %
COVIVIO SA	4.30 %	4.14 %
MERLIN PROPERTIES SOCIMI SA	3.76 %	3.70 %
XIOR STUDENT HOUSING NV	3.59 %	1.38 %
AEDIFICA SA	3.55 %	3.87 %

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 JANUARY 2023

	I Share	P Share	GI Share	C Share
Number of shares	12,625.6	490,979.8	6,927.4	20,216.1
Liquidating value (€)	1,590.20	146.33	10,172.79	100.54
Net assets (€)	164,427,287			

6. EXPOSURE OF THE PORTFOLIO AT 31 JANUARY 2023

Currencies (including cash)	Sectors ⁽¹⁾	Geographic location ⁽¹⁾
Euros	89 %	Housing 33 % France 27 %
Pound sterling	7 %	Retail 24 % Germany 21 %
US dollar	3 %	Offices 17 % Spain 10 %
Norwegian krone	1 %	Logistics 11 % United Kingdom 8 %
Other	0 %	Other 14 % 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	45 %
Environment	42 %
ESG risk profile	35 %



5 POSITIONS WITH THE BEST ESG RATING⁽¹⁾

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

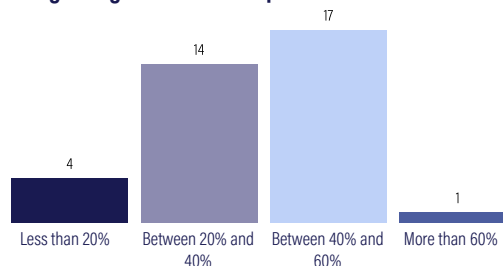
5 POSITIONS WITH THE WORST ESG RATING⁽¹⁾

	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 %
Self Storage Group	25 %	57 %	83 %	54 %

(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).

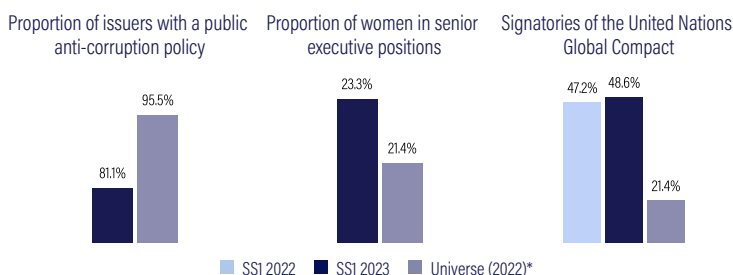
Reporting ESG

Distribution of esg ratings⁽¹⁾ of issuers in portfolio

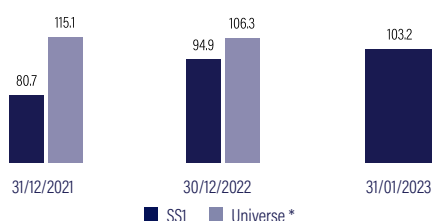


(1) The ESG rating determines the non-financial profile of companies (in terms of risks and opportunities). Shares whose current or anticipated ESG rating is above 80% are excluded from the investment scope (the lower the ESG rating, the better).

Impact & carbon footprint measurements



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 31/01/2023. 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 February 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



SOFIDY SAS | Portfolio management company certified by the AMF on 10 July 2007 under the number GP07000042 | 338 826 332 RCS Evry | Activity code : 6630 Z | Intra-Community VAT number : FR 03 338 826 332 | 303 Square des Champs Élysées - Evry Courcouronnes - 91026 Evry Cedex | Tel.: +33(0)1 69 87 02 00 | Fax: +33 (0)1 69 87 02 01 | Email : sofidy@sofidy.com | www.sofidy.com

