



Monthly Report

At 28 February 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

Short of breath!

After making strong progress in January, real estate companies recorded a slight downward correction (0.7%) in February (compared to a 0.3% fall in your Fund's P share) against an economic backdrop of resilience in growth and core inflation and deferred expectations of long-term interest rate easing. We uphold our view that the market valuation of the sector is over-anticipating the prospects of a decline in the valuation of real estate assets. But we are disappointed by the lack of strategic rebound among a number of players, particularly those with strong balance sheets in a position to launch a strategic counter-attack.*

Most European real estate companies have now published their earnings (except for German real estate companies, which represent 30% of the index) and the verdict is currently unsurprising: results are good, values are falling tentatively and the outlook for 2023 is prudent.

In 2022, operating activity was bolstered by organic growth in rent, driven in turn by indexation (which is even expected to accelerate over the coming quarters). The increase in financing costs is, of course, noticeable, but remains limited to a few dozen basis points given that real estate companies worked on their liabilities during the halcyon days of negative interest rates. Finally, many of them posted recurring net income growth of around 5% in 2022, and dividend proposals are following this trend (sometimes implying high yields, including among big names such as Klépierre and Icade). It should be noted, however, that a number of these companies, including Unibail-Rodamco-Westfield, LEG Immobilien and TAG Immobilien, had previously reduced or cancelled their dividend distributions.

In terms of valuations, the decline has started (URW down 2.6%, Icade down 2.5%, Kojamo down 2.1%) but is not universal (Aedifica up 2.6%, SFL up 2.4%, Carmila up 1%) and, on average, we are far from the corrections resulting from current stock market valuations (around 20%).

Lastly, and probably the most disappointing factor, prudence is the watchword for 2023: while, on the surface, real estate companies expect to increase their earnings (by 2-5%), this performance will be largely eroded by the impact of the major disposal programmes on the table. It is undoubtedly more important to reassure rating agencies than arouse hopes on equity markets!

The Fund's ESG risk profile improved from 35% to 31% between January and February, mainly due to the February update of the various internal analysis grids per issuer. As such, the change reflects an overall improvement in the sustainability policies of the various issuers in the portfolio.

*Past performance is no guarantee of future performance

Laurent Saint Aubin and Serge Demirdjian - Written 07/03/2023



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	Shares P, I, C and GI	
	1	2 3 4 5 6 7
Life insurance eligible	Yes	
PEA (Equity Savings Plan) eligible	No	

PERFORMANCE ANALYSIS*

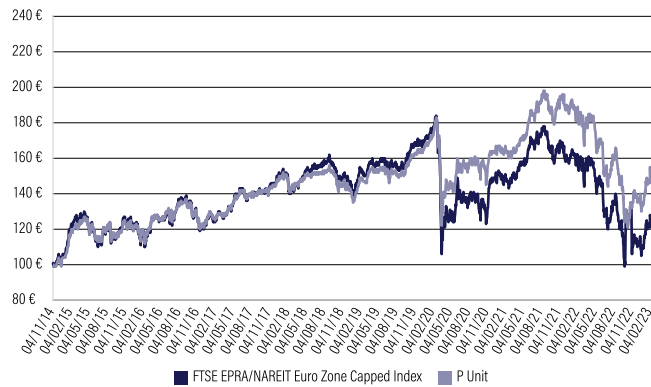
Over 12 rolling months	Index	I Unit	P Unit	GI Unit	C Unit
Performance	-24.7 %	-19.7 %	-20.6 %	-19.4 %	-19.8 %
Volatility	29.4 %	24.6 %	24.6 %	24.6 %	24.6 %
Sharpe ratio	-	-0.82	-0.85	-0.81	-0.82
Tracking error (relative risk)	-	7.0 %	7.0 %	7.0 %	7.0 %
Alpha	-	0.5 %	-0.4 %	0.8 %	0.4 %
Beta	-	0.82	0.82	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 28 February 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	+45.9 %	-8.8%	+22.7%	0.0%	+15.0%	-30.6 %	+9.6 %	-0.3 %												+9.2 %
Index	+20.0 %	-7.5%	+22.2%	-10.9%	+6.4%	-32.6 %	+10.6 %	-0.7 %												+9.8 %
VL (€)	100.00	136.43	167.41	167.40	192.45	133.53	146.33	145.88												145.88

	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	+58.7 %	-7.8%	+23.8%	+0.1%	+17.6%	-29.8 %	+9.7 %	-0.2 %												+9.4 %
Index	+20.0 %	-7.5%	+22.2%	-10.9%	+6.4%	-32.6 %	+10.6 %	-0.7 %												+9.8 %
VL (€)	1,000.00	1,418.60	1,755.60	1,757.30	2,066.61	1,449.74	1,590.20	1,586.69												1,586.69

	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	+1.5 %	-9.9%	+24.1%	0.0%	+17.9%	-29.6 %	+9.7 %	-0.2 %												+9.5 %
Index	-23.8 %	-11.2%	+22.2%	-10.9%	+6.4%	-32.6 %	+10.6 %	-0.7 %												+9.8 %
VL (€)	10,000.00	9,006.08	11,172.77	11,172.77	13,170.38	9,271.40	10,172.79	10,153.11												10,153.11

	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	+0.3 %	-9.7%	+23.6%	0.0%	+17.3%	-30.0 %	+9.7 %	-0.2 %												+9.4 %
Index	-23.2 %	-10.5%	+22.2%	-10.9%	+6.4%	-32.6 %	+10.6 %	-0.7 %												+9.8 %
VL (€)	100.00	90.32	111.60	111.59	130.95	91.68	100.54	100.31												100.31

(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 27 FEBRUARY 2023

	Fund	Index
UNIBAIL-RODAMCO-WESTFIELD	9.67%	9.67%
LEG IMMOBILIEN AG	9.08%	7.18%
VONOVIA SE	5.45%	9.60%
KLEPIERRE	6.32%	5.97%
GECINA NOMINATIVE	5.80%	8.51%
COVIVIO SA	4.27%	4.02%
WAREHOUSES DE PAUW SCA	4.44%	4.07%
MERLIN PROPERTIES SOCIMI SA	3.88%	3.74%
XIOR STUDENT HOUSING NV	3.79%	1.42%
AEDIFICA SA	3.39%	3.88%

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 28 FEBRUARY 2023

	I Share	P Share	GI Share	C Share
Number of shares	11,466.2	492,847.3	6,699.4	17,359.9
Liquidating value (€)	1,586.69	145.88	10,153.11	100.31
Net assets (€)	159,854,571			

6. EXPOSURE OF THE PORTFOLIO AT 28 FEBRUARY 2023

Currencies (including cash)	Sectors ⁽¹⁾	Geographic location ⁽¹⁾
Euros 89 %	Housing 33 %	France 26 %
Pound sterling 7 %	Retail 25 %	Germany 21 %
US dollar 2 %	Offices 18 %	Spain 11 %
Norwegian krone 1 %	Logistics 10 %	United Kingdom 8 %
Other 1 %	Other 14 %	Other 34 %

(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	20 %
Social	39 %
Environment	37 %
ESG risk profile	31 %



5 POSITIONS WITH THE BEST ESG RATING⁽¹⁾

	Governance	Social / Societal	Environment	ESG rating
Gecina	11 %	9 %	10 %	10 %
Merlin	9 %	27 %	2 %	10 %
Samhällsbyggnadsbolaget	11%	19%	10%	12%
Covivio	14 %	0 %	29 %	17 %
Deutsche Wohnen	22 %	25 %	12 %	19 %

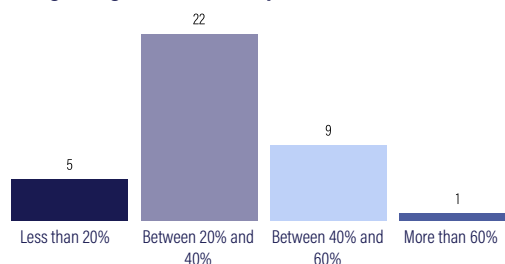
5 POSITIONS WITH THE WORST ESG RATING⁽¹⁾

	Governance	Social / Societal	Environment	ESG rating
Corestate	59 %	100 %	80 %	76 %
Inclusio	41 %	48 %	86 %	60 %
TAG	59 %	33 %	68 %	58 %
Retail estates	18 %	62 %	85 %	54 %
URW	48 %	91 %	27 %	48 %

(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).

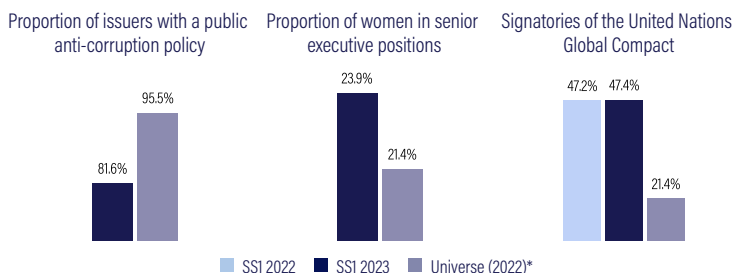
Reporting ESG

Distribution of ESG ratings⁽¹⁾ of issuers in portfolio

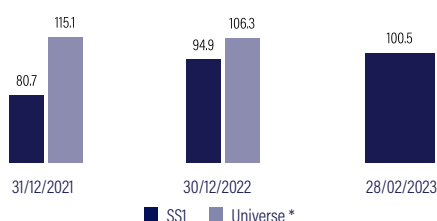


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Impact & carbon footprint measurements



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 1,432 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 28/02/2023. 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 March 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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