

**SOFIDY
SELECTION 1**
FCP


Monthly Report

At 31 May 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

Spring mist clearing?

The prospect of a resumption of transactions in the physical market could give a new momentum to a sector that has been hampered by uncertainties clouding the outlook on interest rates.

For listed real estate companies, May more than wiped out the modest rebound seen in April, confirming investors' lack of confidence in this market segment. This is probably due in part to fears that rent hikes may not be enough to offset higher borrowing costs. Moreover, listed real estate appears to have lost its compass: the correlation with interest rates, which was once a virtually infallible yardstick, is now having a less systematic impact on the sector's stock market performance. This disconnect is understandable. Even though the brunt of the monetary tightening process is now behind us, inflation remains well above central bank targets on both sides of the Atlantic.

The clearing of the mist clouding interest rates is crucial for our industry, as interest rates set the tone for all financial decisions. Economic actors were recently still unable to find common ground, which explains the collapse in real estate investment volumes in Europe (59% decline in the first quarter of 2023).

However, a significant recovery in transactions is the only thing likely to reassure stock markets of the relevance of real estate company appraisals and stock market valuations of the sector (average discount of 35% versus NAV, implying a 21% decline in asset values; source: Barclays, 12June).

We are seeing the beginnings of this upturn in investment volumes, with many large assets currently on the market across Europe. This is the case for offices in Paris (Castiglione, Renaissance, Vivacity, Parc Avenue buildings), logistics (€200 million portfolio in Sweden owned by Blackstone, urban logistics assets in the Netherlands owned by Fortress) and residential properties (prospective acquisition of €4 billion in residential assets by the State of Berlin, according to Vonovia). The completion of these transactions during the summer could at last provide us with the necessary benchmarks to end the debate on the discrepancy in valuation between physical and listed real estate.

Against this backdrop, our management is more than ever focused on sectors enjoying strong rental growth (logistics, private storage, student residences) and/or high yields (significant overweighting of retail properties), while we have increased our underweighting of the residential and office segments (asset yields sometimes significantly below marginal financing costs). This strategy has allowed us to post only a marginal decline since the beginning of the year (-0.9%* at 12June), compared with a 4.2% drop for our benchmark index.

* Past performance is no guarantee of future performance.

13June 2023,
Laurent Saint Aubin and Serge Demirdjian

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: center;"> <small>Shares P, I, C and GI</small> <table border="1"> <tr> <td>1</td><td>2</td><td>3</td><td style="background-color: orange;">4</td><td>5</td><td>6</td><td>7</td> </tr> </table> </div>		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*

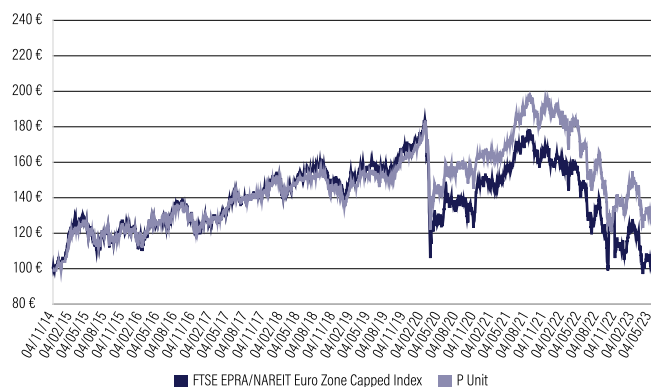
Over 2 rolling months	Index	I Unit	P Unit	GI Unit	C Unit
Performance	-32.8 %	-24.6 %	-25.4 %	-24.3 %	-24.8 %
Volatility	29.2 %	24.0 %	24.0 %	24.0 %	24.0 %
Sharpe ratio	-	-108	-111	-107	-108
Tracking error (relative risk)	-	6.8 %	6.8 %	6.8 %	6.8 %
Alpha	-	18 %	0.9 %	2.0 %	16 %
Beta	-	0.81	0.81	0.81	0.81

*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 May 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	+26.6 %	-8.8 %	+22.7 %	0.0 %	+15.0 %	-30.6 %	+9.6 %	-0.3 %	-11.1 %	+3.9 %	-6.1 %									-5.2 %
Index	-0.9 %	-7.5 %	+22.2 %	-10.9 %	+6.4 %	-32.6 %	+10.6 %	-0.7 %	-14.2 %	+5.0 %	-8.3 %									-9.3 %
VL (€)	10000	136.43	167.41	167.40	192.45	13353	14633	14588	129.68	13479	12656									126.56
I Unit	+38.0 %	-7.8 %	+23.8 %	+0.1 %	+17.6 %	-29.8 %	+9.7 %	-0.2 %	-1.0 %	+4.0 %	-6.0 %									-4.8 %
Index	-0.9 %	-7.5 %	+22.2 %	-10.9 %	+6.4 %	-32.6 %	+10.6 %	-0.7 %	-14.2 %	+5.0 %	-8.3 %									-9.3 %
VL (€)	1000.00	1,418.60	1,755.60	1,757.30	2,066.61	1,449.74	1,590.20	1,586.69	1,417.9	1,468.69	1,380.40									1,380.40
GI Unit	-1.6 %	-9.9 %	+24.1 %	0.0 %	+17.9 %	-29.6 %	+9.7 %	-0.2 %	-1.0 %	+4.1 %	-6.0 %									-4.6 %
Index	-37.1 %	-11.2 %	+22.2 %	-10.9 %	+6.4 %	-32.6 %	+10.6 %	-0.7 %	-14.2 %	+5.0 %	-8.3 %									-9.3 %
VL (€)	10000.00	9,006.08	11,172.77	11,172.77	13,170.38	9,274.0	10,172.9	10,153.11	9,036.57	9,403.31	8,840.88									8,840.88
C Unit	-1.28 %	-9.7 %	+23.6 %	0.0 %	+17.3 %	-30.0 %	+9.7 %	-0.2 %	-1.0 %	+4.0 %	-6.0 %									-4.9 %
Index	-36.6 %	-10.5 %	+22.2 %	-10.9 %	+6.4 %	-32.6 %	+10.6 %	-0.7 %	-14.2 %	+5.0 %	-8.3 %									-9.3 %
VL (€)	10000	90.32	111.60	111.59	130.95	91.68	100.54	100.31	89.23	92.82	87.22									87.22

(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 MAY 2023

	Fund	Index
UNIBAIL-RODAMCO-WESTFIELD	9.29 %	7.99 %
KLEPIERRE	8.70 %	7.27 %
LEG IMMOBILIEN AG	5.90 %	5.88 %
VONOVIA SE	5.93 %	9.66 %
MERLIN PROPERTIES SOCIMI SA	5.23 %	4.21 %
GECINA NOMINATIVE	4.82 %	8.65 %
WAREHOUSES DE PAUW SCA	4.48 %	4.49 %
TAG TEGERNSEE IMMOBILIEN	3.52 %	2.11 %
XIOR STUDENT HOUSING NV	3.39 %	1.44 %
COVIVIO SA	3.16 %	3.62 %

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 2023

	I Share	P Share	GI Share	C Share
Number of shares	118 16.5	494,790.0	11,382.7	14,306.4
Liquidating value (€)	1380.40	126.56	8,840.88	87.22
Net assets (€)	180,817,775			

6. EXPOSURE OF THE PORTFOLIO AT 31 MAY 2023

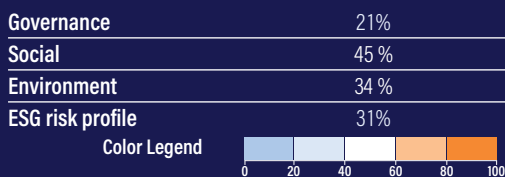
Currencies (including cash)	Sectors ⁽¹⁾	Geographic location ⁽¹⁾
Euros 88 %	Housing 29 %	Germany 24 %
Pound Sterling 9 %	Retail 28 %	France 21 %
US dollar 2 %	Offices 17 %	Spain 13 %
Norwegian krone 1 %	Hospitality 8 %	UK 10 %
Other 0 %	Other 18 %	Other 32 %

(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

The ESG rating determines the non-financial profile of companies (in terms of risks and opportunities). The lower the ESG rating, the better.



5 POSITIONS WITH THE BEST ESG RATING⁽¹⁾

	Governance	Social / Societal	Environnement	ESG Rating
Gecina	11%	9%	8%	9%
Merlin	9%	27%	2%	10%
Covivio	14%	0%	29%	17%
Deutsche Wohnen	22%	25%	12%	19%
Mercialys	14%	43%	18%	21%

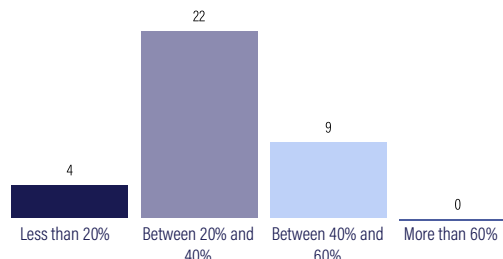
5 POSITIONS WITH THE WORST ESG RATING⁽¹⁾

	Governance	Social / Societal	Environnement	ESG Rating
Inclusio	41%	48%	86%	60%
Americold Real	25%	100%	64%	59%
TAG	59%	33%	68%	58%
Retail estates	18%	62%	85%	54%
Life Science Reits	41%	33%	70%	51%

(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)

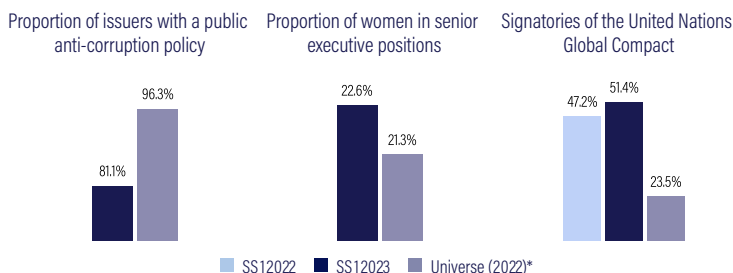
Reporting ESG

Distribution of ESG ratings⁽¹⁾ of issuers in portfolio

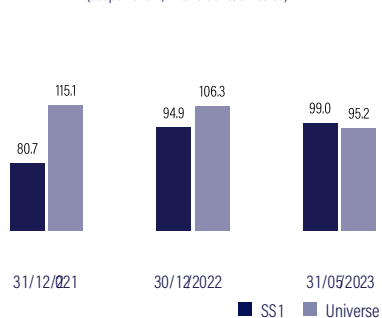


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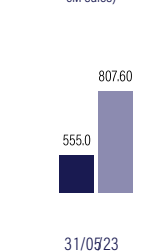
Impact & carbon footprint measurements



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



The Weighted Average Carbon Intensity (scope 1 & 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 1428 shares at 31/03/2023. The coverage rate of the scope is 94.6% for signatories of the United Nations Global Compact, 73.0% for the proportion of women in senior executive positions and 86% 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 31/05/2023. 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. This is an advertising document. The characteristics, risk and return profile, and fees regarding investment in the SOFIDY Sélection 10PCVM 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 2023. SOFIDY SAS – Real estate funds management company since 1987– 303, square des Champs Élysées – Évry Courcouronnes – 91026ÉVRY Cedex Portfolio management company certified by the AMF on 10 July 2007 under the number GP07000042– Tel.: +33(0)169 87 02 00 – Fax: +33(0)169 87 02 01– www.sofidy.com



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