

**SOFIDY  
SELECTION 1**  
FCP


# Monthly Report

At 30 June 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

#### THE MISSING PIECE

**Your Fund rose 2.3 % in June. Year-to-date, the P share is down 3 % compared to a benchmark index fall of 7.3 %. While the sector continues to suffer from the pressure on interest rates, it is bolstered by current record low valuations (40 % discount on the latest published NAVs, auguring a forthcoming 23 % fall in the value of the assets (source: Barclays).**

As in the previous year, market movements are dominated by the interest rate environment, while the equity story is generally taking a backseat role ("the missing piece"), clearly a source of frustration for active management teams.

Against this backdrop, the performance posted by shopping centre operator Lar Espana, up 29.2 % year-to-date, in which we are invested (1.3 % of the Fund) is a reassuring light in the darkness.

What arguments could be used to explain this and help build an exceptional equity story?

- The valuation of this stock places it clearly in the Value category, with a 51.7 % discount on NAV at end June 2023 (and an initial yield of 6.4 %, source: Company) and a 44.1 % drop in the share price since the June 2018 all-time high (impact of e-Pocalypse followed by Covid-19). Meanwhile, the gross dividend yield in 2022 was over 14 %.
- The company, which is mainly ignored by analysts, operates in a segment (retail parks with moderate rents and dominant shopping centres located in secondary districts where competition is limited) undergoing a recovery (positive reversion upon lease renewal, up 4.5 % in H1 2023) in a country (Spain) that is outperforming the European average for the segment.
- Sound financial structure (35.7 % LTV, entirely fixed-rate debt, maturity 4.5 years)
- New shareholder, Vukile Property Fund, which holds a 25.5 % equity stake and is clearly determined to diversify its exposure, up to now exclusively focused on shopping centres in South Africa.

\* Past performance is no guarantee of future performance.

7 July 2023,  
Laurent Saint Aubin and Serge Demirdjian

*The fund's ESG profile remained stable at 31% in June. It should be noted that this quarter we decided to change the way we calculate the various indicators and their coverage rates by systematically weighting the results obtained by the market capitalisation of the issuer analysed for the Thematic Universe and by the weight of the issuer within the fund for the fund. The aim of these changes is to standardise the calculation methods in order to make the comparison between the Thematic Universe and the fund more relevant; a change that we had already initiated for the carbon intensities in our reporting at the beginning of the year.*



**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\*

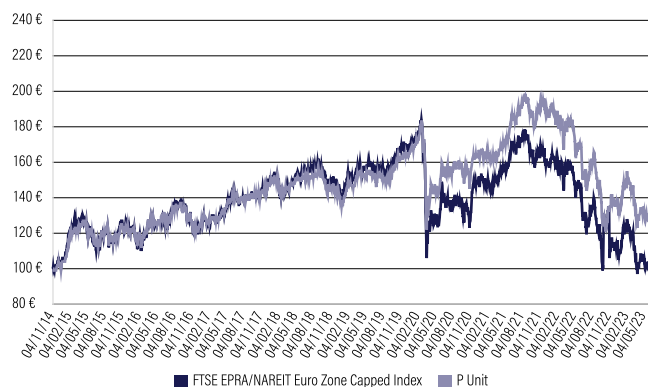
Over 12 rolling months	Index	I Unit	P Unit	GI Unit	C Unit
Performance	-18.0 %	-10.7 %	-11.7 %	-10.4 %	-10.9 %
Volatility	28.5 %	23.4 %	23.3 %	23.3 %	23.3 %
Sharpe ratio	-	-0.53	-0.57	-0.52	-0.54
Tracking error (relative risk)	-	6.6 %	6.6 %	6.6 %	6.6 %
Alpha	-	3.5 %	2.5 %	3.8 %	3.3 %
Beta	-	0.81	0.81	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 30 June 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<sup>(4)</sup>

	Since start <sup>(1)</sup>	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	
<b>P Unit</b>	+29.5 %	-8.8 %	+22.7 %	0.0 %	+15.0 %	-30.6 %	+9.6 %	-0.3 %	-11.1 %	+3.9 %	-6.1 %	+2.3 %								-3.0 %
<b>Index</b>	+1.3 %	-7.5 %	+22.2 %	-10.9 %	+6.4 %	-32.6 %	+10.6 %	-0.7 %	-14.2 %	+5.0 %	-8.3 %	+2.2 %								-7.3 %
<b>VL (€)</b>	100.00	136.43	167.41	167.40	192.45	133.53	146.33	145.88	129.68	134.79	126.56	129.48								129.48
<b>I Unit</b>	+41.3 %	-7.8 %	+23.8 %	+0.1 %	+17.6 %	-29.8 %	+9.7 %	-0.2 %	-11.0 %	+4.0 %	-6.0 %	+2.4 %								-2.5 %
<b>Index</b>	+1.3 %	-7.5 %	+22.2 %	-10.9 %	+6.4 %	-32.6 %	+10.6 %	-0.7 %	-14.2 %	+5.0 %	-8.3 %	+2.2 %								-7.3 %
<b>VL (€)</b>	1,000.00	1,418.60	1,755.60	1,757.30	2,066.61	1,449.74	1,590.20	1,586.69	1,411.79	1,468.69	1,380.40	1,413.45								1,413.45
<b>GI Unit</b>	-9.4 %	-9.9 %	+24.1 %	0.0 %	+17.9 %	-29.6 %	+9.7 %	-0.2 %	-11.0 %	+4.1 %	-6.0 %	+2.4 %								-2.3 %
<b>Index</b>	-35.7 %	-11.2 %	+22.2 %	-10.9 %	+6.4 %	-32.6 %	+10.6 %	-0.7 %	-14.2 %	+5.0 %	-8.3 %	+2.2 %								-7.3 %
<b>VL (€)</b>	10,000.00	9,006.08	11,172.77	11,172.77	13,170.38	9,271.40	10,172.79	10,153.11	9,036.57	9,403.31	8,840.88	9,055.12								9,055.12
<b>C Unit</b>	-10.7 %	-9.7 %	+23.6 %	0.0 %	+17.3 %	-30.0 %	+9.7 %	-0.2 %	-11.0 %	+4.0 %	-6.0 %	+2.4 %								-2.6 %
<b>Index</b>	-35.2 %	-10.5 %	+22.2 %	-10.9 %	+6.4 %	-32.6 %	+10.6 %	-0.7 %	-14.2 %	+5.0 %	-8.3 %	+2.2 %								-7.3 %
<b>VL (€)</b>	100.00	90.32	111.60	111.59	130.95	91.68	100.54	100.31	89.23	92.82	87.22	89.29								89.29

(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 JUNE 2023

	Fund	Index
UNIBAIL-RODAMCO-WESTFIELD	9.62 %	8.53 %
KLEPIERRE	9.21 %	7.29 %
VONOVIA SE	6.10 %	9.95 %
WAREHOUSES DE PAUW SCA	5.90 %	5.84 %
MERLIN PROPERTIES SOCIMI SA	5.26 %	4.02 %
GECINA NOMINATIVE	4.63 %	9.11 %
TAG TEGERNSEE IMMOBILIEN	3.78 %	2.37 %
LEG IMMOBILIEN AG	3.56 %	4.02 %
XIOR STUDENT HOUSING NV	3.13 %	1.51 %
COVIVIO SA	3.03 %	3.81 %

### FEES AND COMMISSIONS

(Base 100 at 4 November 2014)

<b>Management fee incl. tax</b>	P Share	2.20 %
	C Share	1.30 %
	I Share	1.10 %
	GI Share	0.75 %
<b>Maximum entry fee incl. tax*</b>	P Share	Up to 4 %
	C Share	Up to 4 %
	I Share	Up to 3 %
	GI Share	Up to 1 %
<b>Outperformance commission**</b>		20 %
<b>Initial subscription</b>	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 JUNE 2023

	I Share	P Share	GI Share	C Share
<b>Number of shares</b>	11,995.4	501,985.7	11,078.9	10,813.8
<b>Liquidating value (€)</b>	1,413.45	129.48	9,055.12	89.29
<b>Net assets (€)</b>	183,239,811			

### 6. EXPOSURE OF THE PORTFOLIO AT 30 JUNE 2023

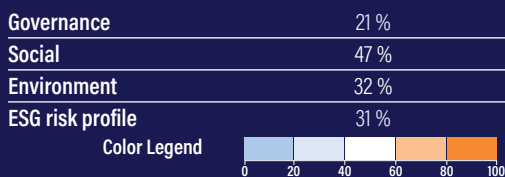
Currencies (including cash)	Sectors <sup>(1)</sup>	Geographic location <sup>(1)</sup>
Euro 84 %	Retail 32 %	France 21 %
Pound Sterling 9 %	Housing 20 %	Germany 20 %
US Dollar 5 %	Logistics 15 %	Spain 12 %
Swedish krona 2 %	Offices 13 %	United Kingdom 10 %
Other 0 %	Other 20 %	Other 37 %

(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<sup>(1)</sup> 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<sup>(1)</sup>

	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 %
Mercurialis	14 %	43 %	18 %	21 %

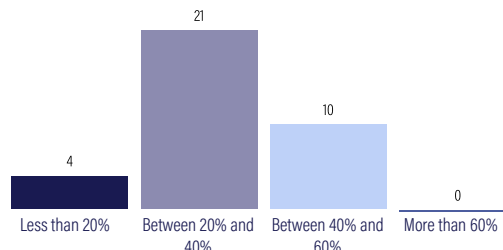
### 5 POSITIONS WITH THE WORST ESG RATING<sup>(1)</sup>

	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)

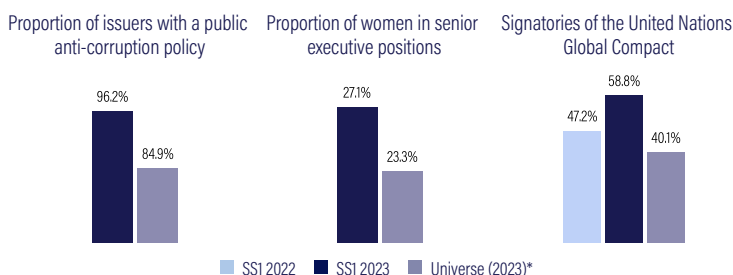
# Reporting ESG

## Distribution of ESG ratings<sup>(1)</sup> of issuers in portfolio

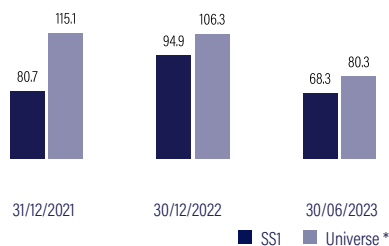


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## Impact & carbon footprint measurements



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



The Weighted Average Carbon Intensity (scope 1, 2 & 3, 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 1,514 shares at 30/06/2023. The coverage rate of the scope is 99.6 % for signatories of the United Nations Global Compact, 85.1 % for the proportion of women in senior executive positions and 85 % 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 30/06/2023. 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 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 July 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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