

**SOFIDY
SELECTION 1**
FCP


Monthly Report

At 29 September 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

ARIADNE'S THREAD

The listed real estate sector continues to suffer from the medium-term outlook of continued high interest rates, tossed to and fro by the conflicting pronouncements of central bankers, even though the low stock market valuation (34 % discount on 30 June appraisals in the eurozone, source: Kempen) provides some reassurance. Amid this barren terrain, however, we see some glimmers of hope in terms of access to financing for real estate companies, transactions completed and stock market performance for issuers able to generate strong structural growth.

Although the real estate investment market is still marked by low volumes (in France, €2 billion invested in Q3, down 74 %, and €8.7 billion invested over the first nine months, down 57 %, according to Immostat), some significant transactions were notably completed in recent weeks, often involving purchase by the tenant (sale of 101 Champs-Élysées by Gecina, sale of the Anjou building by Covivio, a takeover bid by Nuveen-Teachers on Self Storage Group Asa in Norway, entailing a 67 % premium over the last stock price, and an ongoing transaction - source: ReactNews - involving a logistics asset occupied by Amazon in Catalonia).

In terms of financing, it is worth noting two accelerated placements of new shares successfully completed by healthcare asset operator Cofinimmo (€167 million at a 6.6 % discount on the last stock price) and UK self-storage company Big Yellow (€110 million at a mere 2.9 % discount) and the long-awaited confirmation (for several months) of real estate companies' continuing access to bond markets as witnessed by two substantial issues (€500 million each) carried out by Praemia Healthcare (formerly Icade Santé) and Carmila in September. While these issues reflect current conditions (identical 5.5 % coupon over 5 years in both cases), they illustrate market appetite for the segment (offers oversubscribed 4.6x and 2.2x respectively).

Finally, growth real estate companies can stand out by generating respectable stock market performances despite the current environment. As such, driven by the industrial revival theme in Europe and a highly propitious local environment in this respect, CTP Group, a developer, owner and manager of major logistics warehouses in central Europe in which your fund is invested, has seen its stock price rise 29 % since the beginning of the year. The targets set by the Group (€20 million sqm under operation vs €11 million today and €1 billion in rental income by 2030 vs €589 million in 2022) are both bold and deemed credible by the markets, including a development margin close to 9.5 % and an estimated risk-adjusted return on investment of over 11 % per year, the highest in the sector in Europe (source: GreenStreet).

* Past performance is no guarantee of future performance.

12 October 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		
Life insurance eligible	Yes	
PEA (Equity Savings Plan) eligible	No	

PERFORMANCE ANALYSIS*

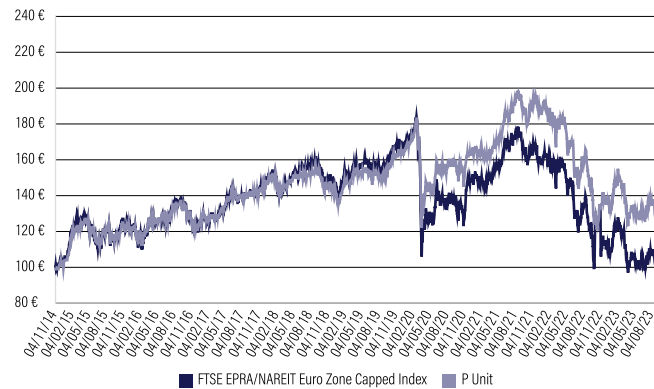
Over 12 rolling months	Index	I Unit	P Unit	GI Unit	C Unit
Performance	0.1 %	2.9 %	1.8 %	3.3 %	2.7 %
Volatility	26.9 %	22.0 %	21.9 %	21.9 %	21.9 %
Sharpe ratio	-	0.02	-0.03	0.04	0.01
Tracking error (relative risk)	-	6.4 %	6.4 %	6.3 %	6.4 %
Alpha	-	2.3 %	1.2 %	2.7 %	2.1 %
Beta	-	0.80	0.80	0.80	0.80

* 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 29 September 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	+31,3 %	-8,8 %	+22,7 %	0,0 %	+15,0 %	-30,6 %	+9,6 %	-0,3 %	-11,1 %	+3,9 %	-6,1 %	+2,3 %	+6,5 %	-0,6 %	-4,2 %					-1,6 %
Index	+5,3 %	-7,5 %	+22,2 %	-10,9 %	+6,4 %	-32,6 %	+10,6 %	-0,7 %	-14,2 %	+5,0 %	-8,3 %	+2,2 %	+7,9 %	+0,6 %	-4,2 %					-3,6 %
VL (€)	100,00	136,43	167,41	167,40	192,45	133,53	146,33	145,88	129,68	134,79	126,56	129,48	137,89	137,09	131,33					131,33

	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	+43,8 %	-7,8 %	+23,8 %	+0,1 %	+17,6 %	-29,8 %	+9,7 %	-0,2 %	-11,0 %	+4,0 %	-6,0 %	+2,4 %	+6,6 %	-0,5 %	-4,1 %					-0,8 %
Index	+5,3 %	-7,5 %	+22,2 %	-10,9 %	+6,4 %	-32,6 %	+10,6 %	-0,7 %	-14,2 %	+5,0 %	-8,3 %	+2,2 %	+7,9 %	+0,6 %	-4,2 %					-3,6 %
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	1,411,79	1,468,69	1,380,40	1,413,45	1,506,67	1,499,37	1,437,61					1,437,61

	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	-7,8 %	-9,9 %	+24,1 %	0,0 %	+17,9 %	-29,6 %	+9,7 %	-0,2 %	-11,0 %	+4,1 %	-6,0 %	+2,4 %	+6,6 %	-0,5 %	-4,1 %					-0,6 %
Index	-32,2 %	-11,2 %	+22,2 %	-10,9 %	+6,4 %	-32,6 %	+10,6 %	-0,7 %	-14,2 %	+5,0 %	-8,3 %	+2,2 %	+7,9 %	+0,6 %	-4,2 %					-3,6 %
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	9,036,57	9,403,31	8,840,88	9,055,12	9,655,19	9,611,28	9,217,96					9,217,96

	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	-9,2 %	-9,7 %	+23,6 %	0,0 %	+17,3 %	-30,0 %	+9,7 %	-0,2 %	-11,0 %	+4,0 %	-6,0 %	+2,4 %	+6,6 %	-0,5 %	-4,1 %					-1,0 %
Index	-32,6 %	-10,5 %	+22,2 %	-10,9 %	+6,4 %	-32,6 %	+10,6 %	-0,7 %	-14,2 %	+5,0 %	-8,3 %	+2,2 %	+7,9 %	+0,6 %	-4,2 %					-3,6 %
VL (€)	100,00	90,32	111,60	111,59	130,95	91,68	100,54	100,31	89,23	92,82	87,22	89,29	95,17	94,69	90,77					90,77

(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 29 SEPTEMBER 2023

	Fund	Index
VONOVIA SE	9.20 %	10.60 %
UNIBAIL-RODAMCO-WESTFIELD	8.52 %	5.97 %
KLEPIERRE	8.20 %	6.86 %
LEG IMMOBILIEN AG	5.18 %	7.95 %
TAG TEGERNSEE IMMOBILIEN	4.65 %	2.74 %
MERLIN PROPERTIES SOCIMI	4.31 %	4.04 %
WAREHOUSES DE PAUW SCA	3.92 %	3.84 %
COVIVIO SA	3.91 %	3.89 %
EUROCOMMERCIAL PROPERTIES	3.67 %	1.96 %
GECINA NOMINATIVE	3.62 %	9.11 %

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 29 SEPTEMBER 2023

	I Share	P Share	GI Share	C Share
Number of shares	9,017.8	484,041.3	6,661.2	9,453.4
Liquidating value (€)	1,437.61	131.33	9,217.96	90.77
Net assets (€)	138,796,787			

6. EXPOSURE OF THE PORTFOLIO AT 29 SEPTEMBER 2023

Currencies (including cash)		Sectors ⁽¹⁾		Geographic location ⁽¹⁾	
Euro	83 %	Retail	30 %	Germany	25 %
Pound Sterling	11 %	Housing	24 %	France	19 %
US Dollar	4 %	Logistics	13 %	United Kingdom	11 %
Swedish krona	2 %	Offices	12 %	Spain	11 %
Other	0 %	Other	21 %	Other	34 %

(1) Allocations determined by the manager by breaking down the activity of the companies in the portfolio into different sectors/geographical areas.

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.

Governance	20 %
Social	45 %
Environment	32 %
ESG risk profile	30 %



5 POSITIONS WITH THE BEST ESG RATING⁽¹⁾

	Governance	Social / Societal	Environnement	ESG Rating
MERLIN PROPERTIES	5 %	27 %	2 %	8 %
GECINA NOMINATIVE	11 %	9 %	8 %	9 %
COVIVIO SA	14 %	0 %	29 %	17 %
DEUTSCHE WOHNEN SE	22 %	25 %	12 %	19 %
CELLNEX TELECOM SA	30 %	22 %	12 %	21 %

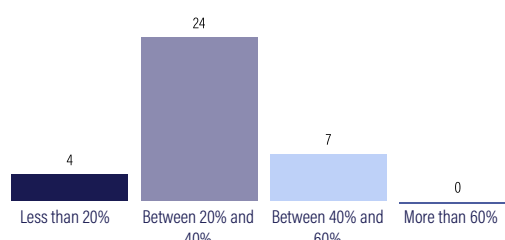
5 POSITIONS WITH THE WORST ESG RATING⁽¹⁾

	Governance	Social / Societal	Environnement	ESG Rating
INCLUSIO SA	55 %	48 %	86 %	60 %
TAG TEGERNSEE IMMOBILIEN	59 %	33 %	68 %	58 %
UNIBAIL-RODAMCO	48 %	91 %	27 %	48 %
SAFESTORE HOLDINGS PLC	11 %	86 %	59 %	45 %
INTERVEST OFFICES WAREHOUSES	9 %	77 %	62 %	44 %

¹ ESG rating determines the non-financial profile of companies (in terms of risks and opportunities). Securities whose current or expected ESG rating exceeds 80% are excluded from the investment universe (the lower the ESG rating, the better the ESG rating).

Reporting ESG

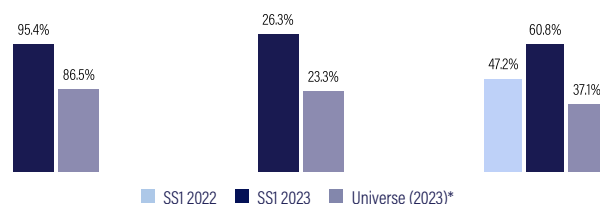
Distribution of ESG ratings⁽¹⁾ of issuers in portfolio



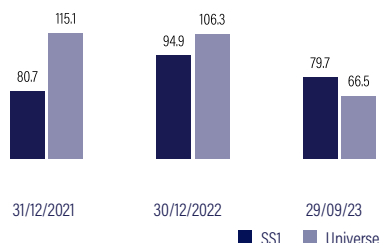
⁽¹⁾ The ESG rating determines the non-financial profile of companies (in terms of risks and opportunities). Shares whose current or anticipated ESG rating is above 80% are excluded from the investment scope (the lower the ESG rating, the better).

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)



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 1,804 shares at 29/09/2023. The coverage rate of the scope is 93 % for signatories of the United Nations Global Compact, 95 % 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 29/09/2023. 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 October 2023. SOFIDY SAS – Real estate funds management company since 1987 – 303, square des Champs Élysées – Evry 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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